

Nketoana Local Municipality



ANNUAL BUDGET OF

NKETOANA LOCAL MUNICIPALITY

2014/15 TO 2016/17
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

| | | | |
|--------|---|-------|---|
| AMR | Automated Meter Reading | MFMG | Municipal Financial Management Grant |
| ASGISA | Accelerated and Shared Growth Initiative | MFMA | Municipal Financial Management Act |
| BPC | Budget Planning Committee | MIG | Municipal Infrastructure Grant |
| CFO | Chief Financial Officer | MM | Municipal Manager |
| CPI | Consumer Price Index | MMC | Member of Mayoral Committee |
| DBSA | Development Bank of South Africa | MPRA | Municipal Properties Rates Act |
| DoRA | Division of Revenue Act | MSA | Municipal Systems Act |
| DWA | Department of Water Affairs | MSIG | Municipal Systems Improvement Grant |
| EPIP | Environmental Protection and Infrastructure Programme | MTEF | Medium-term Expenditure Framework |
| EPWP | Expanded Public Works Programme | MTREF | Medium-term Revenue and Expenditure Framework |
| FBS | Free basic services | NERSA | National Electricity Regulator South Africa |
| GDP | Gross domestic product | NGO | Non-Governmental organisations |
| GFS | Government Financial Statistics | NKPIs | National Key Performance Indicators |
| GRAP | General Recognised Accounting Practice | OP | Operational Plan |
| HR | Human Resources | PMS | Performance Management System |
| IDP | Integrated Development Strategy | PPE | Property Plant and Equipment |
| IT | Information Technology | RBIG | Restructuring Bulk Grant |
| kℓ | kilolitre | SALGA | South African Local Government Association |
| Km | kilometre | SDBIP | Service Delivery Budget Implementation Plan |
| KPA | Key Performance Area | SMME | Small Micro and Medium Enterprises |
| KPI | Key Performance Indicator | | |
| KWh | kilowatt | | |
| ℓ | Litre | | |
| LED | Local Economic Development | | |
| MEC | Member of the Executive Committee | | |

Part 1 – Annual Budget

1.1 Mayor's Report

MAYOR'S BUDGET SPEECH 2014/15 – CLLR. M.D. MOLAPISI

Honourable Speaker, Cllr. Nkomo

Fellow Councillors

Ward Committees

Community leaders

Business sectors

Baahi

Distinguished guests

Ladies and Gentlemen

Honourable Speaker, allow me to express my appreciation for the opportunity to deliver the State of the Municipal Address to the Community of Nketoana and to appreciate their presence at this gathering.

Let me start by congratulating all the political parties that took part in the 2014 5th National elections and also the ruling party, African National Congress for emerging as the victorious party during the 2014 national elections and ensuring that South Africa shall remain a free and democratic country. Allow me Mr. Speaker to further congratulate the newly elected National cabinet and the Free State provincial cabinet.

As we celebrate 20 years of freedom and democracy, South Africa has gone through a dramatic change to be where it is in these 20 years. South Africans need to reflect on how freedom and democracy was achieved, the progress made in these 20 years and on how to implement the vision 2030.

From the echoes' of our neighbours and the world, who never stop to congratulate South Africa for the progress made, surely, Mr. Speaker I fully agree with President Jacob Zuma when he says we have a good story to tell. With the development that we have made as a country, really it is so joyous to be a South African today.

Few days ago, we celebrated the 56th Anniversary of the adoption of the Freedom Charter. The Freedom Charter, adopted at the Congress of the People in Kliptown on the 26th of June 1955, in its preamble, states that:

"We, the People of South Africa, declare for all our country and the world to know: that South Africa belongs to all who live in it, black and white, and that no government can justly

claim authority unless it is based on the will of all the people; that our people have been robbed of their birth right to land, liberty and peace by a form of government founded on injustice and inequality; that our country will never be prosperous or free until all our people live in brotherhood, enjoying equal rights and opportunities; that only a democratic state, based on the will of all the people, can secure to all their birth right without distinction of colour, race, gender or belief; And therefore, we, the people of South Africa, black and white together equals, countrymen and brothers adopt this Freedom Charter; And we pledge ourselves to strive together, sparing neither strength nor courage, until the democratic changes here set out have been won."

The Freedom Charter talks of a non-racial, non-sexist, democratic and a prosperous society as well as one characterized by socio-economic prosperity and advancement. It is these values that had inspired the great leaders of our movement such as Nelson Mandela, Oliver Tambo, Joe Slovo, Walter Sisulu, Lillian Ngoyi and Yusuf Dadoo.

Honourable Speaker we are gathered here today, to table the 2014/2015 Annual Budget in compliance with the requirements of the Municipal Finance Management Act, Act 56 of 2003.

Honourable Speaker and the House, we had to prepare this budget with the background knowledge that South Africa and the whole world have not yet fully recovered from the economic meltdown of 2008. Of course, Mr. Speaker, the demand from our communities for service delivery is huge but, as the former Minister of Finance, Mr Pravin Gordhan would say "live within your means", we had to be extremely disciplined so that we do not transcend our fiscal boundaries.

The 2014/2015 Budget

Honourable speaker allow me to congratulate the municipality for achieving yet another good audit opinion in 2013 financial year. It is indeed a good direction that the municipality is heading towards achieving a clean audit for 2014 as per treasury directive.

Honourable Speaker, the 2014/2015 budget comprises of **R61 million capital budget and R280 million operating budget**

For this budget to be implemented, stringent measures put in place must be implemented to fund this budget. It is essential for the municipality to enhance mechanisms that assist us to compel our people to do the right thing and **pay for municipal services**

Tariffs

Balancing the available income against the needs(expenditure) in the local government environment is in principle no different from what every household has to do each month. You can only spend what you have in cash; if one spends more than what he/she has available it will only generate debts which will have to be repaid out of future income. This in return reduces future income. Improper control in this regard will end up in a vicious circle of crisis management and a downward trend in service delivery. Council acknowledges the fact that the only way in achieving a balanced budget is to either increase the income or to reduce

expenditure. In simple terms it means a balance between increased tariffs or a reduction in services.

The standard of services is not determined by the Council but rather by the needs and affordability to the community. The higher the standard of the service the higher the cost of the services will be. The tariffs for services will thus be determined by the cost of the service. Community participation is not only prescribed by legislation but crucial in determining the level of services and the affordability to the community that will ensure the sustainability of the service.

After consultation processes with all the residents the revised needs of the communities, service levels, affordability and sustainability of services, the following tariff increases are submitted for approval:

| | |
|----------------|--------------------------------|
| Electricity | 7.39% (As determined by NERSA) |
| Water | 6.00% |
| Sewerage | 6.00% |
| Refuse | 6.00% |
| Property rates | 6.00% |
| All other | 6.00% |

Electricity tariff increases are determined by NERSA after taking into account the tariff increases of ESKOM. All other tariff increases are in line with the Consumer Price Index (CPI) as to ensure that tariffs remain affordable to the residents and to protect the local economic development.

Masepala o etse hlooko hore ba bang ba baahi ha ba kgone ho lefella ditshebeletso tseo ba di fumantshwang ke masepala, mme ka hoo ho kenyelleditswe metjha ka hare ho melaotheo ya tsamaiso ya masepala ho thusa malapa ana ka tse latelang:

- Lower tariffs on lower consumptions and higher tariffs on the higher consumptions
- Free basic services to all qualifying households
- Increased household income levels to assist more of the poor households to qualify for indigent subsidies.
- Welfare organizations taking care of the poor to be given the indigent subsidies
- Pensioners to receive free 6kl of water and 50kwh electricity
- Extended periods for repayment of debts
- Reduction on the prescribed deposit when making arrangements on arrears
- Rand for rand incentive on arrear payments (older than 1 July 2013)

The aim of the proposed submissions is to:

- Ho thusa malapa a hlokanang
- Ho thusa baahi ho etsa di tumellano tsa ho lefella meketlane ya bona bo bebe
- Meet resident halfway when making repayments on their arrears
- Re a ha setso sa ho kgothalletsa ho lefa ditshebeletso
- Ho phahamisa lekeno

- Submit affordable tariffs for services
- Ho netefatsa ditshebeletso tsa bo leng
- Ho tshireletsa moruo wa selehae; and
- Create a balanced and cash based budget

Water

Honourable Speaker the pipeline from Reitz to Mamafubedu has already been kick-started, the contractor is on site and the construction is underway. This project will address the current challenges the Municipality is facing of water provision for the community. R20 million has been allocated for this project for 2014/2015 financial year and the whole project will need about R50 million for completion.

Mr. Speaker the municipality is complying with the blue drop and green drop requirements for water and sewer respectively. In the 2014/15 financial year, the Municipality will provide sanitation and toilets to 502 stands in Petsana and we will be doing a project in Mamafubedu of Mamafubedu Recycle Water.

Reitz sewer plant upgrade is near completion and sewer related challenges will be over in a near future.

The Municipality will continue to provide water to its farming communities, boreholes will be erected in Lindley and Arlington during the 2014/15 financial year. Water meters will be installed to connect all households that are currently not connected to the network.

Electricity

Selemong se setjha sa di tjelele masepala o behelletse R5.3 million ho tlo kgantshetsa ditsha tse 1001 tse ntjha tsa motse wa Ntha. R800 000.00 has been set aside for the interdepartmental electricity connections.

Roads

The roads section needs funds to ensure that our roads are in good conditions and with fewer funds that we receive from property rates we are unable to address those challenges. However we have budgeted **R6.7 million** to pave roads in Petsana , Ntha and Mamafubedu during this financial year.

Local Economic Development

Honourable Speaker we have approved the Local Economic Development strategy and plan to enhance the economic growth of our municipality. Most of the projects that will be done in this financial year will be EPWP driven in order to create more job opportunities for the community.

The Municipality has donated sewing machines to groups of women within Nketoana as part of women empowerment. We have also donated a piece of land and fencing to a group of young people in Petsana for farming.

Masepala o thusitse batjha ba 119 ka ho ba abela R600 000.00 ho ntshetsa pele dithuto tsa bona di kolang tse phahameng.

Honorable speaker I believe the municipality must take credit where it's due because these indeed are **“good stories we are telling”**.

Masepala o ile wa tshepisa selemong se fetileng sa ditjhelete hore otlo thusa batjha ho qala projeke ya ho etsa ditena ka hara motse wa Leratswana. Ke thabile ha ele mona masepala o kgonne ho phethahatsa seo. Mme projeke e na e thusa baahi haholo ho fumana ditena haufinyana le bona.

Masepala o thusitse motjha Matieho Mofokeng wa sekolong sa Phukalla Ntha ho lefella phatlalatso ya buka eo a engotseng, mme phatlalatso eo e tla etsahala moketeng o tlabe o tshwaretse motseng wa Ntha ka di 7 June 2014

The new Grain Field Chicken factory by VKB is a huge improvement for our local economy and we appreciate the investment by VKB. We hope this will open new opportunities for investment within our communities.

In conclusion Motsamaisi wa dipuisano ke rata ho nka monyetla ona ho leboha batho bana ba latelang ka tshehetso ya bona ka nako tsohle.

The honourable speaker for a strategic role that you and your office have played in the community consultation process,

The executive committee as the principal committee of council for the team effort, unity and commitment that they continue to demonstrate in the work of the municipality,

The council as the highest decision making body of the municipality for the continued focused and stable leadership and strategic direction that they give to all of us,

Ke rata ho leboha ba sebeletsi ba masepala ka bo iketlahetso ba bona ho ntshetsa pele masepala wa Nketoana, ke ka bona re kgonang ho fihlella tseo re di fihlelletseng.

Mantswe a ka a ho qetela: Never change your originality for the sake of others, because no one can play your role better than you so be yourself.

Ke a leboha

M.D. Molapisi

Mayor

1.2 Council Resolutions

On the 30th May 2014, Council of Nketoana Local Municipality met in Petsana at 1H00 to approve the Annual Budget of the municipality and was presented as follows:

Item Number : 013/05(Special Council 30/05/2014)
Heading : Annual Budget 2014/15 to 2015-2017
Department : Finance

Purpose

The purpose of the report is to present the annual budget for 2014/15 for approval by council.

Background

Section 16 of the Municipal Finance Management Act of 2003 states that municipalities must for each financial year approve an annual budget for the municipality before the start of that financial year

Section 17 of the MFMA further states that

- 1) An annual budget of a municipality must be in a prescribed format
 - a) Setting out the realistically anticipated revenue for the budget year from each revenue source
 - b) Appropriating expenditure for the budget year under the different votes of the municipality
 - c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget
 - d) Setting out
 - i) Estimated revenue and expenditure by vote for the current year ; and
 - ii) Actual revenue and expenditure by vote for the financial year preceding the current year ; and
 - e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed
- 2) Annual budget must generally be divided into a capital and an operating budget in accordance with international best practices, as may be prescribed.
- 3) When an annual budget is tabled in terms of section 16(2) it must be accompanied by the following documents
 - a) Draft resolutions
 - i) approving the budget of the budget of the municipality
 - ii) Imposing any tax municipal tax and setting any municipal tariffs as maybe
 - iii) Approving any other matter that maybe prescribed
 - b) Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan.
 - c) A projection of cash flow for the budget year revenue source , broken down per month,

- d) Any proposed amendments to the municipality's integrated development plan in terms of section 34 of the Municipal Systems Act
- e) Any proposed amendments to the budget –related policies of the municipality
- f) Particulars of the municipality's investments
- g) Any prescribed budget information on municipal entities under the sole or shared control of the municipality
- h) Particulars of new municipal entities which the municipality intends to establish or in which the municipality intend to participate
- i) Particulars of all proposed service delivery agreements including material amendments to existing service delivery agreements
- j) Particulars of any proposed allocations or grants by the municipality to-
 - i)other municipalities
 - ii)any municipal entities and other external mechanism assisting the municipality in the exercise of its functions or powers
 - iii)any other organs of state
 - iv)any organization or bodies referred to in section 67 (1)
- k) The proposed cost to the municipality for the budget year of the salary, allowances and benefits of-
 - i)each political office bearer of the municipality
 - ii)councilors of the municipality; and
 - iii)the municipal manager; chief financial; each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager.
- l) The proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary , allowances and benefits of –
 - i)each member of the entity's board of directors; and
 - ii)the chief executive officer and each senior manager of the entity;
- m) Any other supporting documentation as maybe prescribed

Section 24 of the MFMA further states that :

- 1) the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget
- 2) An annual budget –
 - a) Must be approved before the start of the budget year
 - b) Is approved by the adoption by the council of a resolution referred to in section 17(3) (a) (i) and
 - c) Must be approved together with the adoption of the resolution as may be necessary –
 - i) Imposing any municipal tax for the budget year
 - ii) Setting any municipal tariffs for the budget year

- iii) Approving measurable performance objectives for the revenue from each source and for each vote in the budget
 - iv) Approving any changes to the municipality's integrated plan ; and
 - v) Approving any changes to the municipality's budget related policies
- 3) The accounting Officer of the municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

Annual Budget 2014/15 process

The annual budget of the municipality was consolidated taking into consideration all the departments' needs. The total revenue budget is R243 341 363 this includes operational grants, total operating expenditure is R 298 277 114 including Repairs and Maintenance, Depreciation and Debt impairment. This is mainly due to depreciation and Debt Impairment of R 70 995 364 and R33 020 000 respectively.

Draft Capital Budget 2014/15 total budget of R 61 022 000. The draft annual budget 2014/15 is in a deficit of R54 935 51

After all the deliberation and the budget process through public participation and budget bilateral from departments of the municipality, BPC, community of the municipality, and Provincial treasury, the municipality reduced its Operational expenditure budget From R293 586 000 to R280 834 000 with a deficit of R 37 493 000,

The reason that the municipality is budgeting on deficit is mainly due to non-cash items namely Debt and Assets impairment. Our cash flow revenue was increased from R63 008 000 to R 75 500 000 that's on the basis of 75% collection rate that the municipality is anticipating.

Expenditure has been increased from R189 700 000 to R208 603 000 to accommodate the interest on Eskom and also to for the FBS that will be subsidised to the indigents.

Tariffs

We have proposed a 6% increase on all tariffs which are not cost reflective; this will have a direct negative impact on the operations of the municipality over the years if this method or model is not put into place in future.

Water and Electricity, the municipality is using the IBT i.e step tariff, meaning that the more services the consumers consume the more they pay. Municipal tariffs are low that we cannot fund depreciation as MFMA circular 70 .

Challenges

The municipality is facing a serious challenge of water in the municipality and this budget can only address 50% of the challenge, due to insufficient cash flow. This has been encountered after the new investment industries came to operation in the last financial year. They consume lots of water due to the type of the work that is done. The municipality has been into discussions that the Grain fields Chicken abattoir will construct its pipeline at its own cost from the source to their operating plant, so as to reduce the burden to the municipality.

The municipality will have to consider a special tariff for Grain fields Chicken abattoir .The municipality has also a serious challenge that is faced with non-payment of debt. Measures, policies, strategies have been put into place to enhance our revenue in the next financial year. This will be part of this annual budget 2014/15

Although the invitation has been sent via local newspapers and notices to invite communities to attend and participate on the draft budget 2014/15, the meeting was not well attended only in towns. This might cause resistance even further in the payment of services and pressure on the Municipal Budget in the next financial year.

The ANNEXTUREs will be attached for further detail.

Resolved:

1. That COUNCIL approves the Annual budget 2014/15 in terms of section 24 of the MFMA

1.3 Executive Summary

Credit Control

The revenue generation is of critical importance to the survival of the municipality, therefore determines the sustainability of our municipality. Our revenue collection has since decreased dramatically since the new Debt collection and Credit control policy of 2013/14 was approved and implemented. This among other points that council made was that the municipality can no longer afford to continue with blanket approach when it comes to Free Basic Services. The FBS was removed from residents that were not registered as indigents. Although this information was clearly communicated to our residents during the Budget Public Participation for 2013/13, the municipality encountered rebellious actions due to that decision. The municipality is continuously losing revenue this hampers the ability for a municipality to deliver services on time. The said policy was implemented throughout the 2013/14 financial year. There is a new policy that will address the issues of Non-Payment and that will be beneficial to both council and its residents, businesses, government and Farm property owners, strict measures will apply in the annual budget 2014/15 and we will ensure a very consistent implementation thereof.

The municipal councillors were made aware of the implications of interfering with the Debt and Credit control policy, this was evident as the Mid-Year Performance report has factored all those income and expenditure patterns. We hope in future that councillors will trust administration to do the job.

Indigent Support

The municipality has reviewed and approved the Indigent policy, we increased the threshold of indigent to R2 500, a R900 increase from the previous financial year. We believe that this will assist the poorest of the poor within our community. We are targeting to register 5000 indigents for the 2014/15. There was also an outcry for NGO's especially that takes care of people with disabilities, and also the Old age residents were included in this policy. The said organisations will receive a rebate depending on the consumption of their water and electricity. This resulted from the door-to-door campaign that was made by councillors.

Property Rates

Property Rates policy review was in line with the MPRA. The appeal board was only established in January 2014 to evaluate the objections that were raised in the new Valuation Roll that was implemented 1st July 2014. We anticipated that the process would be finalised before approval of the budget but that did not occur, the process of correcting this will be done pending the decision made by the appeal board which will affect the 2014/15 Annual Budget.

Tariff Policy

We propose the tariff policy should remain as is but we should fully implement the policy and ensure that trading and economic services are profitable or breakeven. The electricity service is currently not profitable as we lose millions of rands on this service due to illegal connections and

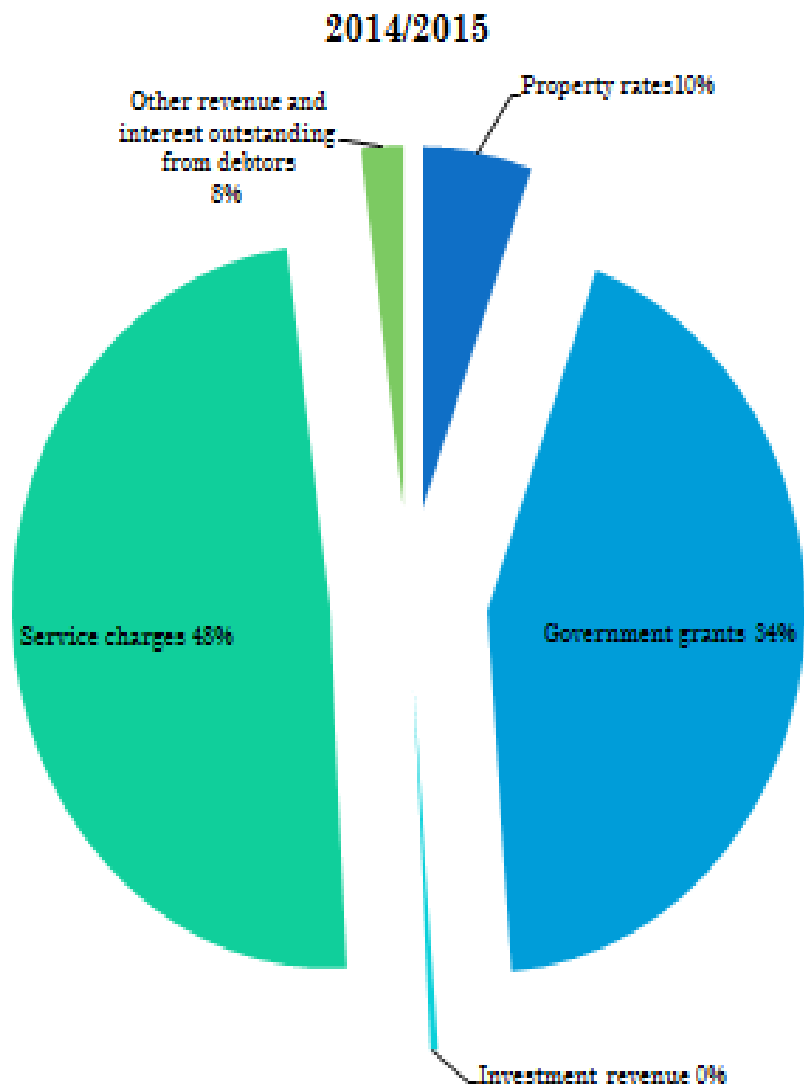
departmental usage unaccounted for. We need to relook at our operations in this service and ensure that we recover all the cost related to this service. We also have a serious challenge as the tariffs for this service are determined by the regulator.

1.4 Operating Revenue Framework

For Nketoana Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development; SMME development
- Efficient revenue management, which aims to ensure at least 75 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases of between 7.39 % as approved by NERSA;
- Achievement of full cost recovery of specific user charges especially in relation to trading services; this is still a challenge especially on the non-profit making departments
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the MPRA Act 6 of 2004;
- Increase ability to extend new services and recover costs;
- Municipality revenue enhancement strategy
- The municipality's Indigent Policy and rendering of FBS; and
- Tariff policies of the Municipality.



Analysis of the pie above

- Government grants 34%
- Service charges 48%
- Property rates 10%
- Interest outstanding from debtors and other income 8%

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- All residential properties with a market value of less than amount as annually determined by the Municipality are exempted from paying rates, Famers gets up to 75% rebate on property rates. For 2013/14 financial year the maximum deduction is determined as R20 000, the impermissible rates of R15 000 contemplated in terms of (Section 17(1) of the MPRA) is included in the amount referred to the above as annually determined by the municipality. The remaining R5 000 is an important part of council's indigent report and aimed primarily at alleviating poverty.
- Municipality's Property Rates Act determines all other issues in relation to exempt properties and rebates

Below is the comparison of proposed property rates to levied for the 2014/15 financial year:

| PROPERTY RATES | Current year 2014 | Proposed Tariff 2015 | % Increase |
|--------------------------------------|--------------------------|-----------------------------|-------------------|
| Business, Commercial, and Industries | 0.038 | 0.0040927c | 6% |
| Residential Property | 0.038 | 0.0040927c | 6% |

| | | | |
|--|-------|-------------|-------|
| Property owned by the state or an organ of state | 0.038 | 0.00000000c | -100% |
| Farming land used for bona fide farming | 0.013 | 0.0016090c | 6% |
| Public Service Infrastructure | 0.013 | 0.0016090c | 6% |
| Vacant land irrespective of zoning | 0.076 | 0.0081853c | 6% |
| Mining Property | 0.038 | 0.0040927c | 6% |
| Education | 0.038 | 0.0278420c | 6% |
| Religious | 0.000 | 0.00000000c | 0 |

NB: The approved tariff list is attached

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Proposed Water Tariffs

Metered Water

Residential, Flats, Church and old ages, commercial, government institution

| Cost of Tariff at a Meter | | | | | | |
|---------------------------|----|---------|-------------|--------|---------|--|
| Consumers | | | | | | |
| Consumption Range | | Max Use | Cost | Vat | Total | |
| 0-5.0 | kl | 10 | R 6.83 /kl | R 0.96 | R 7.79 | |
| 5.1-10.0 | kl | 15 | R 8.03 /kl | R 1.12 | R 9.16 | |
| 10.1-15.0 | kl | 20 | R 11.25 /kl | R 1.57 | R 12.82 | |
| 15.1-20.0 | kl | 25 | R 14.46 /kl | R 2.02 | R 16.49 | |
| >20 | kl | 30 | R 16.49 /kl | R 2.31 | R 18.80 | |

| Industries | | | | | | |
|-------------------|----|---------|---------|-----|--------|---------|
| Consumption Range | | Max Use | Cost | | Vat | Total |
| 0.0-200 | kl | 800 | R 9.64 | /kl | R 1.35 | R 10.99 |
| 201-250 | kl | 1000 | R 13.21 | /kl | R 1.85 | R 15.06 |
| >250 | kl | 1500 | R 16.68 | /kl | R 2.34 | R 19.01 |

| Cost of Tariff at a Source | | | | | | |
|----------------------------|----|---------|---------|-----|--------|---------|
| Consumers | | | | | | |
| Consumption Range | | Max Use | Cost | | Vat | Total |
| 0-5.0 | kl | 10 | R 6.59 | /kl | R 0.92 | R 7.51 |
| 5.1-10.0 | kl | 15 | R 7.75 | /kl | R 1.08 | R 8.83 |
| 10.1-15.0 | kl | 20 | R 10.85 | /kl | R 1.52 | R 12.37 |
| 15.1-20.0 | kl | 25 | R 13.95 | /kl | R 1.95 | R 15.90 |
| >20 | kl | 30 | R 15.91 | /kl | R 2.23 | R 18.14 |

| Industries | | | | | | |
|-------------------|----|---------|---------|-----|--------|---------|
| Consumption Range | | Max Use | Cost | | Vat | Total |
| 0.0-200 | kl | 800 | R 9.30 | /kl | R 1.30 | R 10.60 |
| 201-250 | kl | 1000 | R 12.74 | /kl | R 1.78 | R 14.52 |
| >250 | kl | 1500 | R 16.09 | /kl | R 2.25 | R 18.34 |

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure between 7.39% increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

1.4.4 Sanitation and Impact of Tariff Increases

The proposed tariffs for sanitation are as follows:

Waterborne – Residential including churches and old age

| | Tariff 2014 | Tariff 2015 | % |
|--------------------------------|-------------|-------------|----|
| Per toilet/urinal per month | 51.20 | 54.272 | 6% |
| Minimum per month | 96.77 | 102.5762 | 6% |
| Additional availability charge | 96.77 | 102.5762 | 6% |

Business including schools

| | Tariff 2014 | Tariff 2015 | % |
|--------------------------------|--------------------|--------------------|----------|
| Per toilet/urinal per month | 96.77 | 102.5762 | 6% |
| Minimum per month | 96.77 | 102.5762 | 6% |
| Additional availability charge | 96.77 | 102.5762 | 6% |

Industries

| | Tariff 2014 | Tariff 2015 | % |
|--------------------------------|--------------------|--------------------|----------|
| Per toilet/urinal per month | 96.77 | 10.5762 | 6% |
| Minimum per month | 96.77 | 10.5762 | 6% |
| Additional availability charge | 96.77 | 10.5762 | 6% |

Departmental

| | | | |
|-----------------------------|-------|---------|----|
| Per toilet/urinal per month | 42.76 | 45.3256 | 6% |
| Minimum per month | 85.47 | 90.5982 | 6% |

Septic-tank Residential (including churches, old ages)

| | Tariff 2013 | Tariff 2014 | % |
|--|--------------------|--------------------|----------|
| Per suction | 95.74 | 101.4844 | 6% |
| Farms/small holding suction fee plus 10% | | | |
| | | | |

Businesses (includes schools, government institutions)

| | | | |
|--|-------|---------|----|
| Per suction | 90.79 | 96.2374 | 6% |
| Farms/small holding suction fee plus 10% | | | |
| | | | |

Industries

| | | | |
|-------------|-------|---------|----|
| Per suction | 82.92 | 87.8952 | 6% |
|-------------|-------|---------|----|

Departmental

| | | | |
|-------------|-------|---------|----|
| Per suction | 82.92 | 87.8952 | 6% |
|-------------|-------|---------|----|

1. VIP Toilets and Buckets

For the household using VIP toilets the service will be charged for cleaning of VIP toilets R47.70 per suction

2. Availability Charge

The following availability charge shall be payable in respect of vacant stands:

Per residential stand per month R158.3852

Per Non-residential stand per month R220.4164

3. Charges for work carried out by the municipality:

| | |
|--|---------|
| Re inspection fee per connection | R530.00 |
| Sealing opening per connection | R795.00 |
| Re opening sealed connection | R795.00 |
| Alterations to gullies, per gulley | R753.19 |
| Removing blockages on private dwelling | R212.00 |

1.4.5 Waste Removal and Impact of Tariff Increases

The proposed tariffs for waste removal are as follows:

| | Tariff 2014 | Tariff 2015 | % |
|--|--------------------|--------------------|----------|
| Residential (Including churches, old age homes, etc.) | | | |
| Per Bin (per month) | 115.20 | 122.112 | 6% |
| Business (Office Blocks) | | | |
| Per Bin (per month) | 140.81 | 149.2586 | 6% |
| Farms/Smallholdings - The "Bin" fee & additional 10% | | | |
| Business (Retail) | Tariff 2014 | Tariff 2015 | % |
| Per Bin (per month) | 639.98 | 677.3188 | 6% |
| Farms/Smallholdings - The "Bin" fee & additional 10% | | | |

| | | | |
|--|--------|----------|----|
| Business (Include schools, government institutions, etc.) | | | |
| Per Bin (per month) | 639.98 | 677.3188 | 6% |
| Farms/Smallholdings - The "Bin" fee & additional cost (Labour, fuel, etc.) & 10% | | | |
| Industries | | | |
| Per Bin (per month) | 831.98 | 881.8988 | 6% |
| Farms/Smallholdings - The "Bin" fee & additional cost (Labour, fuel, etc.) & 10% | | | |
| Departmental | | | |
| Per Bin (per month) | 115.20 | 122.112 | 6% |
| Farms/Smallholdings - The "Bin" fee & additional cost (Labour, fuel, etc.) & 10% | | | |

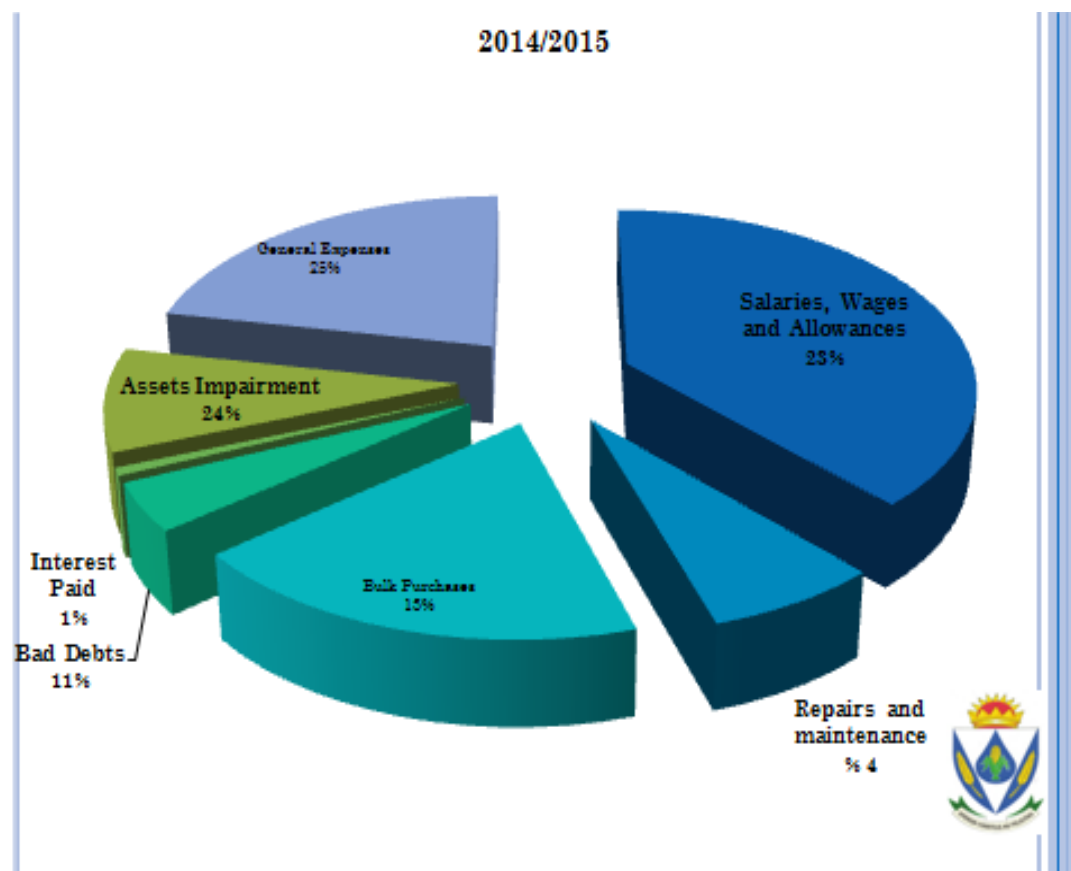
1.5 Operating Expenditure Framework

The Nketoana Local Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- The asset management strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the IDP and MIG strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is the summary of budget and MTREF classified per type of operating expenditure

| Expenditure By Type | | | | | | | | | | | |
|---------------------------------|------|-----------------|----------------|-----------------|----------------|-----------------|----------|----------------|-----------------|-----------------|-----------------|
| Employee related costs | 2 | 38,540 | 46,121 | 57,013 | 53,446 | 61,004 | - | 25,393 | 60,352 | 64,215 | 68,324 |
| Remuneration of councillors | | 4,681 | 4,827 | 4,925 | 5,385 | 5,669 | | 2,184 | 6,243 | 6,618 | 7,015 |
| Debt impairment | 3 | 50,594 | 43,156 | 44,402 | 2,000 | 99,441 | | 8 | 33,020 | 31,369 | 28,233 |
| Depreciation & asset impairment | 2 | 61,271 | 63,963 | 65,992 | 67,517 | 68,517 | - | 35,375 | 70,995 | 74,900 | 79,020 |
| Finance charges | | 1,018 | 1,419 | 2,254 | 1,080 | 2,413 | | 1,167 | 2,800 | 2,968 | 3,146 |
| Bulk purchases | 2 | 19,532 | 17,391 | 28,835 | 33,830 | 34,230 | - | 11,521 | 36,723 | 38,742 | 40,873 |
| Other materials | 8 | 11,330 | 10,511 | 9,008 | | 11,914 | | 6,556 | 10,832 | 11,482 | 12,170 |
| Contracted services | | - | - | 12,623 | 9,698 | 13,486 | - | 4,292 | 10,091 | 10,646 | 11,231 |
| Transfers and grants | | - | - | - | - | - | - | - | 17,903 | 18,887 | 19,926 |
| Other expenditure | 4, 5 | 32,626 | 34,349 | 43,455 | 34,024 | 30,876 | - | 18,301 | 31,876 | 33,629 | 35,479 |
| Loss on disposal of PPE | | 167 | 180 | 145 | | | | | | - | - |
| Total Expenditure | | 219,758 | 221,916 | 268,651 | 206,979 | 327,549 | - | 104,798 | 280,834 | 293,456 | 305,418 |
| Surplus/(Deficit) | | (53,838) | (4,776) | (36,042) | (5,340) | (78,342) | - | 45,101 | (37,493) | (44,436) | (49,661) |



Total expenditure represents the following:

- Employee cost and council remunerations 23%
- Assets Impairment 24%
- Bad debts impairment 11%
- Bulk purchases 13%
- Interest paid 1%
- General expenses 25%
- Repairs and Maintenance 4%

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

FS193 Nketoana - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

| Table 12: Consolidated Budgeted Capital Expenditure by Vote, Standard Classification and Funding | | | | | | | | | | | |
|--|---|--------|--------|--------|--------|--------|---|-------|--------|--------|--------|
| Capital Expenditure - Standard | | | | | | | | | | | |
| Governance and administration | | 3,214 | 3,129 | 650 | 700 | 1,500 | - | 167 | 850 | 460 | 910 |
| Executive and council | | 2,100 | 1,579 | | | | | | 15 | - | - |
| Budget and treasury office | | 1,114 | 1,550 | 650 | 700 | 1,500 | | 134 | 835 | 460 | 910 |
| Corporate services | | | | | | | | 33 | - | | |
| Community and public safety | | 6,294 | 1,300 | 3,783 | 8,300 | 5,534 | - | 73 | 5,280 | - | - |
| Community and social services | | 2,500 | | | 800 | 400 | | 73 | - | | |
| Sport and recreation | | 3,794 | 1,300 | 3,783 | 7,500 | 5,134 | | | 5,280 | - | - |
| Public safety | | | | | | | | | - | | |
| Housing | | | | | | | | | - | | |
| Health | | | | | | | | | | | |
| Economic and environmental services | | 39,139 | 4,574 | 9,284 | 9,911 | 15,268 | - | 1,108 | 13,135 | 2,888 | 5,895 |
| Planning and development | | - | 300 | | | | | | - | | |
| Road transport | | 39,139 | 2,974 | 9,284 | 9,911 | 15,268 | | 1,108 | 8,135 | 2,888 | 3,335 |
| Environmental protection | | - | 1,300 | | | | | | 5,000 | - | 2,559 |
| Trading services | | 14,991 | 37,423 | 38,332 | 49,786 | 32,991 | - | 3,932 | 40,429 | 65,884 | 78,975 |
| Electricity | | 3,300 | 3,955 | 4,900 | 10,115 | 5,096 | | 36 | 6,100 | 9,300 | 8,642 |
| Water | | 11,691 | 15,234 | 22,426 | 29,471 | 21,810 | | 2,448 | 25,378 | 41,594 | 35,515 |
| Waste water management | | - | 7,622 | 3,200 | 6,082 | 1,951 | | 1,448 | 6,787 | 12,990 | 18,231 |
| Waste management | | - | 10,612 | 7,806 | 4,117 | 4,134 | | | 2,164 | 2,000 | 16,588 |
| Other | | | | | | | | | 1,329 | 1,242 | 1,290 |
| Total Capital Expenditure - Standard | 3 | 63,638 | 46,426 | 52,049 | 68,697 | 55,293 | - | 5,280 | 61,022 | 70,474 | 87,069 |
| Funded by: | | | | | | | | | | | |
| National Government | | 17,945 | 27,745 | 42,018 | 51,297 | 49,297 | | 4,922 | 51,872 | 59,837 | 75,794 |
| Provincial Government | | | | | | | | | 5,000 | | |
| District Municipality | | | | | | | | | | | |
| Other transfers and grants | | | | | | | | | | | |
| Transfers recognised - capital | 4 | 17,945 | 27,745 | 42,018 | 51,297 | 49,297 | - | 4,922 | 56,872 | 59,837 | 75,794 |
| Public contributions & donations | 5 | | | | | | | | | | |
| Borrowing | 6 | | | | | | | | | | |
| Internally generated funds | | | | 10,030 | 17,400 | 5,996 | | 358 | 4,150 | 10,637 | 11,275 |
| Total Capital Funding | 7 | 17,945 | 27,745 | 52,048 | 68,697 | 55,293 | - | 5,280 | 61,022 | 70,474 | 87,069 |

The total capital expenditure represents the following:

- Water consists of 42% of the total capital expenditure
- Electricity consists of 10% of the budget
- Finance and admin and other consists of 3% of the budget
- Roads and transport consists of 13% of the budget

- Sports consists of 9% of the budget
- Waste management consists of 4% of the budget
- Waste water management consists of 11% of the budget
- Parks and cemetery consists of 8% of the budget

1.7 Annual Budget Tables

FS193 Nketoana - Table A1 Budget Summary

| Description | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | 10,682 | 11,008 | 16,194 | 19,102 | 22,000 | - | 13,579 | 23,320 | 24,603 | 25,956 |
| Service charges | 55,896 | 74,594 | 76,525 | 90,928 | 106,324 | - | 49,468 | 116,698 | 123,116 | 129,888 |
| Investment revenue | 1,273 | 963 | 1,501 | 1,389 | 400 | - | 179 | 425 | 448 | 473 |
| Transfers recognised - operational | 85,041 | 93,690 | 117,791 | 81,559 | 81,558 | - | 76,751 | 82,649 | 80,443 | 77,909 |
| Other own revenue | 13,028 | 36,886 | 20,598 | 8,661 | 38,925 | - | 9,922 | 20,249 | 20,409 | 21,531 |
| Total Revenue (excluding capital transfers and contributions) | 165,919 | 217,140 | 232,610 | 201,639 | 249,207 | - | 149,899 | 243,341 | 249,019 | 255,757 |
| Employee costs | 38,540 | 46,121 | 57,013 | 53,446 | 61,004 | - | 25,393 | 60,352 | 64,215 | 68,324 |
| Remuneration of councillors | 4,681 | 4,827 | 4,925 | 5,385 | 5,669 | - | 2,184 | 6,243 | 6,618 | 7,015 |
| Depreciation & asset impairment | 61,271 | 63,963 | 65,992 | 67,517 | 68,517 | - | 35,375 | 70,995 | 74,900 | 79,020 |
| Finance charges | 1,018 | 1,419 | 2,254 | 1,080 | 2,413 | - | 1,167 | 2,800 | 2,968 | 3,146 |
| Materials and bulk purchases | 30,862 | 27,902 | 37,842 | 33,830 | 46,144 | - | 18,077 | 47,554 | 50,224 | 53,044 |
| Transfers and grants | - | - | - | - | - | - | - | 17,903 | 18,887 | 19,926 |
| Other expenditure | 83,386 | 77,684 | 100,625 | 45,721 | 143,802 | - | 22,601 | 74,987 | 75,644 | 74,943 |
| Total Expenditure | 219,758 | 221,916 | 268,651 | 206,979 | 327,549 | - | 104,798 | 280,834 | 293,456 | 305,418 |
| Surplus/(Deficit) | (53,838) | (4,776) | (36,042) | (5,340) | (78,342) | - | 45,101 | (37,493) | (44,436) | (49,661) |
| Transfers recognised - capital | - | - | - | 46,297 | 49,297 | - | 22,934 | 61,022 | 70,474 | 87,069 |
| Contributions recognised - capital & contributed a | - | - | - | 5,000 | 5,000 | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (53,838) | (4,776) | (36,042) | 45,957 | (24,045) | - | 68,035 | 23,529 | 26,037 | 37,408 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | (53,838) | (4,776) | (36,042) | 45,957 | (24,045) | - | 68,035 | 23,529 | 26,037 | 37,408 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 63,638 | 46,426 | 52,049 | 68,697 | 55,293 | - | 5,280 | 61,022 | 70,474 | 87,069 |
| Transfers recognised - capital | 17,945 | 27,745 | 42,018 | 51,297 | 49,297 | - | 4,922 | 56,872 | 59,837 | 75,794 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | - | 10,030 | 17,400 | 5,996 | - | 358 | 4,150 | 10,637 | 11,275 |
| Total sources of capital funds | 17,945 | 27,745 | 52,048 | 68,697 | 55,293 | - | 5,280 | 61,022 | 70,474 | 87,069 |
| Financial position | | | | | | | | | | |
| Total current assets | 56,691 | 60,046 | 87,300 | 202,251 | 202,251 | - | 125,789 | 189,045 | 163,945 | 173,618 |
| Total non current assets | 661,915 | 625,267 | 605,162 | 1,120,181 | 663,964 | - | 603,428 | 592,900 | 625,615 | 662,470 |
| Total current liabilities | 31,313 | 37,764 | 54,071 | 35,654 | 36,904 | - | 45,623 | 28,677 | 30,391 | 32,207 |
| Total non current liabilities | 19,506 | 19,610 | 27,342 | 20,195 | 28,463 | - | 26,537 | 28,169 | 29,831 | 31,591 |
| Community wealth/Equity | 666,615 | 650,559 | 611,049 | 1,322,908 | 622,390 | - | 657,057 | 725,100 | 729,338 | 772,289 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 41,304 | 31,151 | 13,713 | 56,892 | 51,958 | - | 56,624 | 25,246 | 26,403 | 40,448 |
| Net cash from (used) investing | (25,118) | (24,096) | (40,488) | (62,840) | (55,293) | - | (33,612) | (56,740) | (59,837) | (75,794) |
| Net cash from (used) financing | (239) | (195) | (743) | (365) | (588) | - | (1,348) | (1,429) | (1,515) | (1,606) |
| Cash/cash equivalents at the year end | 15,948 | 22,808 | (4,710) | 8,737 | 4,814 | - | 30,401 | (21,649) | (56,598) | (93,549) |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 13,809 | - | (10,390) | 47,923 | 47,923 | - | 11,274 | 13,456 | 14,250 | 15,091 |
| Application of cash and investments | (2,872) | 4,265 | (14,175) | (126,676) | (84,048) | - | (5,621) | (65,558) | (58,498) | (62,294) |
| Balance - surplus (shortfall) | 16,681 | (4,265) | 3,785 | 174,599 | 131,971 | - | 16,895 | 79,014 | 72,748 | 77,384 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 654,882 | 625,266 | 595,503 | - | 629,335 | - | 669,127 | 669,127 | 700,391 | 735,411 |
| Depreciation & asset impairment | 61,271 | 63,963 | 65,992 | 67,517 | 68,517 | - | 70,995 | 70,995 | 74,900 | 79,020 |
| Renewal of Existing Assets | - | - | - | - | - | - | - | - | - | - |
| Repairs and Maintenance | 8,742 | 8,660 | 9,007 | 11,680 | 11,914 | - | 10,831 | 10,831 | 12,954 | 16,034 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | 12,735 | 21,535 | 12,781 | - | 13,513 | 13,513 | 14,383 | 15,310 |
| Revenue cost of free services provided | - | - | - | 28,963 | 28,963 | - | 30,287 | 30,287 | 31,692 | 33,185 |
| Households below minimum service level | | | | | | | | | | |
| Water: | - | - | 1 | 1 | 1 | - | 1 | 1 | 1 | 0 |
| Sanitation/sewerage: | 3 | 3 | 2 | 3 | 3 | - | 2 | 2 | 1 | - |
| Energy: | - | - | 17 | - | - | - | - | - | - | - |
| Refuse: | - | - | 5 | 2 | 2 | - | 0 | 0 | 0 | 0 |

FS193 Nketoana - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousand | 1 | | | | | | | | | |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 109,583 | 142,176 | 150,830 | 69,372 | 72,574 | - | 80,680 | 78,911 | 76,293 |
| Executive and council | | - | - | - | 21,871 | 21,871 | - | 17,375 | 18,331 | 19,339 |
| Budget and treasury office | | 105,300 | 121,347 | 128,751 | 38,251 | 41,453 | - | 42,596 | 40,422 | 37,195 |
| Corporate services | | 4,283 | 20,829 | 22,079 | 9,250 | 9,250 | - | 20,708 | 20,157 | 19,758 |
| <i>Community and public safety</i> | | 439 | 520 | 2,711 | 13,120 | 11,808 | - | 13,212 | 13,939 | 14,706 |
| Community and social services | | 238 | 324 | 551 | 10,336 | 10,524 | - | 8,611 | 9,085 | 9,585 |
| Sport and recreation | | - | - | 2,044 | 928 | 853 | - | 505 | 533 | 562 |
| Public safety | | 202 | 196 | 116 | 1,856 | 431 | - | 4,096 | 4,321 | 4,559 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | - | - | - | 40,801 | 40,301 | - | 22,602 | 23,846 | 25,157 |
| Planning and development | | - | - | - | 2,800 | 2,300 | - | 4,525 | 4,774 | 5,037 |
| Road transport | | - | - | - | 38,001 | 38,001 | - | 18,077 | 19,071 | 20,120 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 55,896 | 74,594 | 79,069 | 75,846 | 106,324 | - | 126,847 | 132,323 | 139,601 |
| Electricity | | 15,509 | 25,656 | 27,195 | 25,287 | 34,000 | - | 49,710 | 52,444 | 55,328 |
| Water | | 21,716 | 26,188 | 27,759 | 24,086 | 37,000 | - | 39,236 | 39,894 | 42,088 |
| Waste water management | | 9,215 | 11,144 | 11,813 | 12,708 | 17,000 | - | 18,432 | 19,446 | 20,516 |
| Waste management | | 9,456 | 11,605 | 12,301 | 13,765 | 18,324 | - | 19,469 | 20,540 | 21,669 |
| <i>Other</i> | 4 | - | - | - | 500 | 500 | - | - | - | - |
| Total Revenue - Standard | 2 | 165,919 | 217,289 | 232,609 | 199,639 | 231,507 | - | 243,342 | 249,019 | 255,757 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 54,430 | 56,198 | 68,382 | 50,839 | 77,811 | - | 64,670 | 68,259 | 72,050 |
| Executive and council | | 11,796 | 16,305 | 17,872 | 18,389 | 18,389 | - | 15,110 | 15,974 | 16,889 |
| Budget and treasury office | | 30,809 | 26,249 | 32,597 | 22,400 | 45,296 | - | 30,141 | 31,799 | 33,548 |
| Corporate services | | 11,825 | 13,644 | 17,913 | 10,050 | 14,126 | - | 19,419 | 20,487 | 21,613 |
| <i>Community and public safety</i> | | 7,962 | 16,289 | 23,553 | 14,502 | 14,942 | - | 11,718 | 12,316 | 12,966 |
| Community and social services | | 7,162 | 14,602 | 19,013 | 10,336 | 10,902 | - | 8,117 | 8,517 | 8,958 |
| Sport and recreation | | - | 238 | 2,114 | 928 | 882 | - | 505 | 533 | 562 |
| Public safety | | 800 | 1,449 | 2,426 | 3,238 | 3,158 | - | 3,096 | 3,266 | 3,446 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 52,729 | 48,290 | 56,062 | 42,148 | 60,447 | - | 63,736 | 67,259 | 68,958 |
| Planning and development | | 4,874 | 452 | 479 | 2,050 | 3,350 | - | 3,754 | 3,960 | 4,178 |
| Road transport | | 47,855 | 47,838 | 55,583 | 40,098 | 57,097 | - | 59,983 | 63,299 | 64,780 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 104,635 | 100,990 | 120,655 | 98,990 | 173,849 | - | 139,940 | 144,808 | 150,586 |
| Electricity | | 30,818 | 30,425 | 35,595 | 48,131 | 48,131 | - | 58,515 | 58,904 | 61,671 |
| Water | | 34,801 | 36,558 | 44,319 | 18,949 | 46,897 | - | 33,559 | 35,405 | 35,639 |
| Waste water management | | 22,809 | 23,479 | 24,225 | 18,145 | 45,292 | - | 28,707 | 30,286 | 31,952 |
| Waste management | | 16,207 | 10,528 | 16,516 | 13,765 | 33,529 | - | 19,159 | 20,213 | 21,324 |
| <i>Other</i> | 4 | - | - | - | 500 | 500 | - | 771 | 814 | 859 |
| Total Expenditure - Standard | 3 | 219,756 | 221,766 | 268,653 | 206,979 | 327,549 | - | 280,836 | 293,456 | 305,418 |
| Surplus/(Deficit) for the year | | (53,836) | (4,477) | (36,043) | (7,340) | (96,042) | - | (37,494) | (44,437) | (49,662) |

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

| | | | | | | | | | |
|---------------------|--------|----------|-------|-------------|-------------|---|-------------|-------------|-------------|
| check oprev balance | -426 | 149,484 | -136 | -53,296,796 | -71,996,745 | - | -61,021,430 | -70,474,505 | -87,069,387 |
| check opexp balance | -2,418 | -149,441 | 1,115 | 48 | -107 | - | 1,347 | 249 | 323 |

FS193 Nketoana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousand | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | - | - | - | 21,871 | 21,871 | - | 17,375 | 18,331 | 19,339 |
| Vote 2 - FINANCE AND ADMIN | | 109,584 | 142,176 | 150,830 | 47,501 | 50,703 | - | 63,305 | 60,580 | 56,954 |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES | | 439 | 520 | 2,711 | 13,120 | 11,808 | - | 13,212 | 13,939 | 14,706 |
| Vote 4 - SOLID WASTE MANAGEMENT | | 9,456 | 11,605 | 12,301 | 13,765 | 18,324 | - | 19,469 | 20,540 | 21,669 |
| Vote 5 - LOCAL ECONOMIC DEVELOPMENT | | - | - | - | 2,000 | 1,500 | - | 2,677 | 2,824 | 2,980 |
| Vote 6 - ROADS AND TRANSPORT | | - | - | - | 38,001 | 38,001 | - | 18,077 | 19,071 | 20,120 |
| Vote 7 - WATER | | 21,716 | 26,188 | 27,759 | 24,086 | 37,000 | - | 39,236 | 39,894 | 42,088 |
| Vote 8 - ELECTRICITY | | 15,509 | 25,656 | 27,195 | 25,287 | 34,000 | - | 49,710 | 52,444 | 55,328 |
| Vote 9 - WASTE WATER | | 9,215 | 11,144 | 11,813 | 12,708 | 17,000 | - | 18,432 | 19,446 | 20,516 |
| Vote 10 - HOUSING | | - | - | - | 1,300 | 1,300 | - | 1,848 | 1,950 | 2,057 |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 165,919 | 217,289 | 232,609 | 199,639 | 231,507 | - | 243,342 | 249,019 | 255,157 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | 11,798 | 16,305 | 17,872 | 18,389 | 18,389 | - | 15,110 | 15,974 | 16,889 |
| Vote 2 - FINANCE AND ADMIN | | 42,634 | 39,893 | 50,510 | 32,450 | 59,422 | - | 49,560 | 52,285 | 55,161 |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES | | 7,962 | 16,289 | 23,553 | 14,502 | 14,942 | - | 11,718 | 12,316 | 12,966 |
| Vote 4 - SOLID WASTE MANAGEMENT | | 16,207 | 10,528 | 16,516 | 13,765 | 33,529 | - | 19,159 | 20,213 | 21,324 |
| Vote 5 - LOCAL ECONOMIC DEVELOPMENT | | 4,874 | 452 | 479 | 1,250 | 2,050 | - | 2,676 | 2,824 | 2,979 |
| Vote 6 - ROADS AND TRANSPORT | | 47,855 | 47,838 | 55,583 | 40,098 | 57,097 | - | 59,983 | 63,299 | 64,780 |
| Vote 7 - WATER | | 34,801 | 36,558 | 44,319 | 18,949 | 46,897 | - | 33,559 | 35,405 | 35,639 |
| Vote 8 - ELECTRICITY | | 30,818 | 30,425 | 35,595 | 48,131 | 48,131 | - | 58,515 | 58,904 | 61,671 |
| Vote 9 - WASTE WATER | | 22,809 | 23,479 | 24,225 | 18,145 | 45,292 | - | 28,707 | 30,286 | 31,952 |
| Vote 10 - HOUSING | | - | - | - | 1,300 | 1,800 | - | 1,848 | 1,950 | 2,057 |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 219,758 | 221,766 | 268,653 | 206,979 | 327,549 | - | 280,835 | 293,456 | 305,418 |
| Surplus/(Deficit) for the year | 2 | (53,838) | (4,477) | (36,043) | (7,340) | (96,042) | - | (37,493) | (44,437) | (49,661) |

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

check Surplus/(Deficit) for the year

| | | | | | | | | | | | |
|--|---|--------|--------|--------|--------|--------|---|-------|--------|--------|--------|
| Capital expenditure - Municipal Vote | | | | | | | | | | | |
| Single-year expenditure appropriation | 2 | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | - | - | - | - | - | - | - | - | - | - |
| 1.1 - Mayor's office | | | | | | | | | | | |
| 1.2 - Speaker's office | | | | | | | | | | | |
| 1.3 - Municipal Manager | | | | | | | | | | | |
| 1.4 - IDP and PMS | | | | | | | | | | | |
| 1.6 - Special programmes | | | | | | | | | | | |
| Vote 2 - FINANCE AND ADMIN | | 3,215 | 1,640 | 650 | 700 | 1,500 | - | 167 | 835 | 460 | 910 |
| 2.1 - Director Corporate Services | | 1,115 | | | | | | 33 | | | |
| 2.2 - Human resources | | | | | | | | | | | |
| 2.3 - Legal services | | | | | | | | | | | |
| 2.5 - Administration | | | | | | | | | | | |
| 2.6 - CFO | | | | 650 | 700 | 1,500 | | 134 | 835 | 460 | 910 |
| 2.7 - Revenue Management | | | | | | | | | | | |
| 2.8 - Supply Chain Management | | 2,100 | 1,640 | | | | | | | | |
| 2.9 - Budget and Reporting | | | | | | | | | | | |
| 2.10 - Expenditure | | | | | | | | | | | |
| Vote 3 - COMMUNITY AND SOCIAL SERVICES | | 3,794 | - | 3,783 | 8,300 | 5,534 | - | 73 | 10,280 | - | 2,559 |
| 3.1 - Cemetery | | | | | 800 | 400 | | 73 | | | |
| 3.2 - Parks | | | | | | | | | 5,000 | - | 2,559 |
| 3.3 - Director | | | | | | | | | | | |
| 3.4 - Traffic Services | | | | | | | | | | | |
| 3.5 - Fire Services | | 3,794 | | | | | | | | | |
| 3.6 - Sports and Recreation | | | | 3,783 | 7,500 | 5,134 | | | 5,280 | - | - |
| 3.7 - Libraries | | | | | | | | | | | |
| Vote 4 - SOLID WASTE MANAGEMENT | | - | 6,389 | 7,806 | 4,117 | 4,134 | - | - | 2,164 | 2,000 | 16,588 |
| 4.1 - Waste collection | | | 6,389 | | | | | | | | |
| 4.2 - Solid Waste Disposal | | | | | | | | | 2,164 | 2,000 | 16,588 |
| 4.4 - Solid Waste Management | | | | 7,806 | 4,117 | 4,134 | | | | | |
| Vote 5 - LOCAL ECONOMIC DEVELOPMENT | | - | - | - | - | - | - | - | 15 | - | - |
| 5.1 - SMME HUB | | | | | | | | | | | |
| 5.2 - Tourism | | | | | | | | | 15 | | |
| 5.3 - Economic Development | | | | | | | | | | | |
| Vote 6 - ROADS AND TRANSPORT | | 21,053 | - | 9,284 | 9,911 | 15,268 | - | 1,108 | 9,463 | 4,130 | 4,625 |
| 6.1 - Roads | | 21,053 | | 9,284 | 9,911 | 15,268 | | 1,108 | 8,135 | 2,888 | 3,335 |
| 6.2 - Storm water | | | | | | | | | | | |
| 6.3 - Director | | | | | | | | | 1,329 | 1,242 | 1,290 |
| Vote 7 - WATER | | 4,300 | 4,190 | 22,426 | 29,471 | 21,810 | - | 2,448 | 25,378 | 41,594 | 35,515 |
| 7.1 - WTW Reitz | | | | | 29,471 | 21,810 | | | 16,984 | 16,787 | 13,000 |
| 7.2 - WTW Lindley | | | | | | | | | 3,331 | 8,414 | 1,500 |
| 7.3 - WTW Mamafubedu | | | | | | | | | 1,063 | 10,000 | 12,000 |
| 7.4 - WTW Arlington | | | | | | | | | 3,000 | 5,493 | 6,785 |
| 7.5 - Water Networks Reitz | | | | | | | | 2,448 | | | |
| 7.6 - Water Networks Mamafubedu | | | | | | | | | | | |
| 7.7 - Water Networks Lindley | | | | | | | | | | | |
| 7.8 - Water Networks Arlington | | | | | | | | | | | |
| 7.9 - General Water works | | 4,300 | 4,190 | 22,426 | | | | | 1,000 | 900 | 2,230 |
| Vote 8 - ELECTRICITY | | 5,250 | 1,905 | 4,900 | 10,115 | 5,096 | - | 36 | 6,100 | 9,300 | 8,642 |
| 8.1 - Reitz Electricity | | | | | 10,115 | 5,096 | | | 800 | 798 | 1,359 |
| 8.2 - Mamafubedu Electricity | | | | | | | | | | 752 | 346 |
| 8.3 - Lindley Electricity | | | | 4,900 | | | | 36 | 5,300 | 7,750 | 6,937 |
| 8.4 - General Electricity Works | | 5,250 | 1,905 | | | | | | | | |
| Vote 9 - WASTE WATER | | 4,100 | 9,860 | 3,200 | 6,083 | 1,950 | - | 1,448 | 6,787 | 12,990 | 18,230 |
| 9.1 - Networks Arlington | | | | | | | | | | 12,500 | 13,250 |
| 9.2 - Networks Reitz | | | | | | | | 1,448 | 3,694 | 490 | |
| 9.3 - Networks Mamafubedu | | | | | | | | | 3,093 | | |
| 9.4 - Networks Lindley | | | | | | | | | | | |
| 9.5 - WWTW Reitz | | 4,100 | 9,860 | 3,200 | | | | | | | 4,980 |
| 9.6 - WWTW Mamafubedu | | | | | 6,083 | 1,950 | | | | | |
| 9.7 - WWTW Lindley | | | | | | | | | | | |
| 9.8 - WWTW Arlington | | | | | | | | | | | |
| Capital single-year expenditure sub-total | | 41,712 | 23,985 | 52,049 | 68,697 | 55,292 | - | 5,280 | 61,022 | 70,473 | 87,069 |
| Total Capital Expenditure | | 41,712 | 23,985 | 52,049 | 68,697 | 55,292 | - | 5,280 | 61,022 | 70,473 | 87,069 |

FS193 Nketoana - Table A6 Budgeted Financial Position

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | 4,052 | | | | | | | | | |
| Call investment deposits | 1 | 6,106 | - | 3,698 | 47,923 | 47,923 | - | 11,274 | 13,456 | 14,250 | 15,091 |
| Consumer debtors | 1 | 41,863 | 60,046 | 52,640 | 154,328 | 154,328 | - | 82,212 | 141,355 | 149,695 | 158,527 |
| Other debtors | | 4,399 | | 20,615 | | | | 22,035 | 23,357 | | |
| Current portion of long-term receivables | | | | 10,045 | | | | 9,886 | 10,480 | | |
| Inventory | 2 | 270 | | 301 | | | | 382 | 398 | | |
| Total current assets | | 56,691 | 60,046 | 87,300 | 202,251 | 202,251 | - | 125,789 | 189,045 | 163,945 | 173,618 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | | | | | | | | | | | |
| Investments | | 3,651 | | | | | | | | | |
| Investment property | | 3,195 | | 2,958 | | | | 2,928 | 2,089 | | |
| Investment in Associate | | | | | | | | | | | |
| Property, plant and equipment | 3 | 654,882 | 625,267 | 595,503 | 1,120,181 | 652,833 | - | 583,713 | 577,379 | 611,444 | 647,519 |
| Agricultural | | | | | | | | | | | |
| Biological | | 68 | | 12 | | 12 | | 12 | 12 | 12 | 13 |
| Intangible | | 119 | | 156 | | 219 | | 149 | 176 | 186 | 196 |
| Other non-current assets | | | | 6,533 | | 10,900 | | 16,626 | 13,245 | 13,973 | 14,742 |
| Total non current assets | | 661,915 | 625,267 | 605,162 | 1,120,181 | 663,964 | - | 603,428 | 592,900 | 625,615 | 662,470 |
| TOTAL ASSETS | | 718,606 | 685,312 | 692,462 | 1,322,432 | 866,215 | - | 729,217 | 781,945 | 789,559 | 836,087 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | | | 14,089 | | | | - | | | |
| Borrowing | 4 | 356 | 430 | - | 138 | 588 | - | - | - | - | - |
| Consumer deposits | | | | 1,231 | | 800 | | 1,247 | 1,322 | 1,395 | 1,471 |
| Trade and other payables | 4 | 30,956 | 37,334 | 38,752 | 35,516 | 35,516 | - | 44,376 | 27,355 | 28,996 | 30,736 |
| Provisions | | | | | | | | | | | |
| Total current liabilities | | 31,313 | 37,764 | 54,071 | 35,654 | 36,904 | - | 45,623 | 28,677 | 30,391 | 32,207 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | | 9,473 | 9,154 | 13,191 | 9,739 | 11,072 | - | - | - | - | - |
| Provisions | | 10,033 | 10,456 | 14,151 | 10,456 | 17,391 | - | 26,537 | 28,169 | 29,831 | 31,591 |
| Total non current liabilities | | 19,506 | 19,610 | 27,342 | 20,195 | 28,463 | - | 26,537 | 28,169 | 29,831 | 31,591 |
| TOTAL LIABILITIES | | 50,819 | 57,374 | 81,413 | 55,850 | 65,367 | - | 72,160 | 56,846 | 60,222 | 63,798 |
| NET ASSETS | 5 | 667,787 | 627,938 | 611,049 | 1,266,582 | 800,848 | - | 657,057 | 725,100 | 729,338 | 772,289 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 666,615 | 650,559 | 611,049 | 1,322,908 | 622,390 | | 657,057 | 725,100 | 729,338 | 772,289 |
| Reserves | 4 | - | - | - | - | - | - | - | - | - | - |
| Minorities' interests | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | 666,615 | 650,559 | 611,049 | 1,322,908 | 622,390 | - | 657,057 | 725,100 | 729,338 | 772,289 |

FS193 Nketoana - Table A7 Budgeted Cash Flows

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| | | R thousand | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Ratepayers and other | | 35,351 | 43,963 | 54,609 | 113,296 | 113,296 | | 24,880 | 75,500 | 80,030 | 84,832 |
| Government - operating | 1 | 85,041 | 93,690 | 82,393 | 81,559 | 81,559 | | 59,402 | 82,649 | 87,608 | 92,864 |
| Government - capital | 1 | 20,059 | | 36,764 | 51,297 | 49,297 | | 35,179 | 56,872 | 59,837 | 75,794 |
| Interest | | 1,315 | 963 | 1,501 | 2,201 | 600 | | 179 | 425 | 451 | 478 |
| Dividends | | | 3,097 | | | | | | - | | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (99,444) | (109,576) | (160,608) | (190,381) | (190,381) | | (61,847) | (168,997) | (179,137) | (189,885) |
| Finance charges | | (1,018) | (986) | (945) | (1,080) | (2,413) | | (1,167) | (3,300) | (3,498) | (3,708) |
| Transfers and Grants | 1 | | | - | | | | - | (17,903) | (18,888) | (19,926) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 41,304 | 31,151 | 13,713 | 56,892 | 51,958 | - | 56,624 | 25,246 | 26,403 | 40,448 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | (367) | (23,339) | (40,488) | | | | | 132 | | |
| Decrease (Increase) in non-current debtors | | | | | | | | | | | |
| Decrease (increase) other non-current receivables | | 4,961 | | | | | | | | | |
| Decrease (increase) in non-current investments | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Capital assets | | (29,712) | (757) | | (62,840) | (55,293) | | (33,612) | (56,872) | (59,837) | (75,794) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (25,118) | (24,096) | (40,488) | (62,840) | (55,293) | - | (33,612) | (56,740) | (59,837) | (75,794) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | (239) | (195) | | | | | | - | | |
| Borrowing long term/refinancing | | | | | | | | | - | | |
| Increase (decrease) in consumer deposits | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | | | (743) | (365) | (588) | | (1,348) | (1,429) | (1,515) | (1,606) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (239) | (195) | (743) | (365) | (588) | - | (1,348) | (1,429) | (1,515) | (1,606) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | | | | | | | | | |
| Cash/cash equivalents at the year begin: | 2 | 15,948 | 6,861 | (27,518) | (6,312) | (3,923) | - | 21,664 | (32,923) | (34,949) | (36,951) |
| Cash/cash equivalents at the year end: | 2 | 15,948 | 22,808 | (4,710) | 8,737 | 4,814 | - | 8,737 | 11,274 | (21,649) | (56,598) |
| | | | | | | | | 30,401 | (21,649) | (56,598) | (93,549) |

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

| | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|---|----------|-----------|-----------|-----------|
| Total receipts | 146,361 | 118,374 | 134,779 | 248,353 | 244,752 | - | 119,639 | 215,578 | 227,925 | 253,968 |
| Total payments | (130,174) | (111,319) | (161,554) | (254,301) | (248,087) | - | (96,627) | (247,072) | (261,359) | (289,313) |
| | 16,187 | 7,055 | (26,775) | (5,947) | (3,335) | - | 23,012 | (31,494) | (33,434) | (35,346) |
| Borrowings & investments & c. deposits | - | - | - | - | - | - | - | - | - | - |
| Repayment of borrowing | - | - | (743) | (365) | (588) | - | (1,348) | (1,429) | (1,515) | (1,606) |
| | 16,187 | 7,055 | (27,518) | (6,312) | (3,923) | - | 21,664 | (32,923) | (34,949) | (36,951) |
| | (239) | (195) | - | - | - | - | - | - | - | - |

FS193 Nketoana - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousand | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 15,948 | 22,808 | (4,710) | 8,737 | 4,814 | - | 30,401 | (21,649) | (56,598) | (93,549) |
| Other current investments > 90 days | | (5,790) | (22,808) | (5,681) | 39,186 | 43,109 | - | (19,127) | 35,105 | 70,848 | 108,640 |
| Non current assets - Investments | 1 | 3,651 | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 13,809 | - | (10,390) | 47,923 | 47,923 | - | 11,274 | 13,456 | 14,250 | 15,091 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 945 | 5,658 | 5,490 | 1,052 | 1,052 | - | 18,569 | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | (3,817) | (1,393) | (19,665) | (127,727) | (85,099) | - | (24,190) | (65,558) | (58,498) | (62,294) |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and investments: | | (2,872) | 4,265 | (14,175) | (126,676) | (84,048) | - | (5,621) | (65,558) | (58,498) | (62,294) |
| Surplus(shortfall) | | 16,681 | (4,265) | 3,785 | 174,599 | 131,971 | - | 16,895 | 79,014 | 72,748 | 77,384 |

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

| | | | | | | | | | | |
|---------------|--------------|--------------|---------------|----------------|---------------|----------|---------------|---------------|---------------|---------------|
| Debtors | 20,544 | 21,552 | 35,302 | 147,500 | 104,872 | - | 35,544 | 77,594 | 71,256 | 75,817 |
| Creditors due | 16,727 | 20,159 | 15,637 | 19,773 | 19,773 | - | 11,354 | 12,036 | 12,758 | 13,523 |
| Total | 3,817 | 1,393 | 19,665 | 127,727 | 85,099 | - | 24,190 | 65,558 | 58,498 | 62,294 |

Debtors collection assumptions

| | | | | | | | | | | |
|-------------------------------------|--------|--------|--------|---------|---------|----|---------|---------|---------|---------|
| Balance outstanding - debtors | 46,262 | 60,046 | 73,255 | 154,328 | 154,328 | - | 104,246 | 164,712 | 149,695 | 158,527 |
| Estimate of debtors collection rate | 44% | 36% | 48% | 96% | 68% | 0% | 34% | 47% | 48% | 48% |

FS193 Nketoana - Table A9 Asset Management

| 1793 Nketoana - Table A9 Asset management | | | | | | | | | | | |
|--|------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description | | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| CAPITAL EXPENDITURE | | | | | | | | | | | |
| Total New Assets | | | | | | | | | | | |
| | 1 | | 29,856 | 34,592 | 69,049 | 68,697 | 55,228 | - | 61,022 | 70,474 | 86,889 |
| | | | 4,464 | 4,749 | 17,481 | 9,911 | 15,268 | - | 8,135 | 2,888 | 3,335 |
| | | | 2,506 | 2,161 | 4,958 | 10,115 | 5,547 | - | 6,100 | 9,300 | 8,462 |
| | | | 10,023 | 9,005 | 23,617 | 29,471 | 20,194 | - | 25,378 | 41,594 | 35,515 |
| | | | 7,069 | 8,553 | 3,558 | 6,083 | 1,951 | - | 6,787 | 12,990 | 18,230 |
| | | | 3,029 | - | 6,037 | 4,117 | 5,634 | - | 2,164 | 2,000 | 16,588 |
| | | | 27,091 | 24,468 | 55,650 | 59,697 | 48,594 | - | 48,564 | 68,772 | 82,130 |
| | | | 223 | - | 3,277 | 7,500 | 5,134 | - | 10,280 | - | 2,559 |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | 6 | | 2,542 | 9,386 | 9,969 | 1,500 | 1,500 | - | 2,179 | 1,702 | 2,200 |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | 1 | 0 | - | - | - | - | - | - |
| | | | - | 737 | 152 | - | - | - | - | - | - |
| Total Renewal of Existing Assets | | | | | | | | | | | |
| | 2 | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | 6 | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | | | | | | | | | | | |
| | 4 | | - | - | - | - | - | - | - | - | - |
| | | | 4,464 | 4,749 | 17,481 | 9,911 | 15,268 | - | 8,135 | 2,888 | 3,335 |
| | | | 2,506 | 2,161 | 4,958 | 10,115 | 5,547 | - | 6,100 | 9,300 | 8,462 |
| | | | 10,023 | 9,005 | 23,617 | 29,471 | 20,194 | - | 25,378 | 41,594 | 35,515 |
| | | | 7,069 | 8,553 | 3,558 | 6,083 | 1,951 | - | 6,787 | 12,990 | 18,230 |
| | | | 3,029 | - | 6,037 | 4,117 | 5,634 | - | 2,164 | 2,000 | 16,588 |
| | | | 27,091 | 24,468 | 55,650 | 59,697 | 48,594 | - | 48,564 | 68,772 | 82,130 |
| | | | 223 | - | 3,277 | 7,500 | 5,134 | - | 10,280 | - | 2,559 |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - |
| | 6 | | 2,542 | 9,386 | 9,969 | 1,500 | 1,500 | - | 2,179 | 1,702 | 2,200 |
| | | | - | - | - | - | - | - | - | - | - |
| | | | - | 1 | 0 | - | - | - | - | - | - |
| | | | - | 737 | 152 | - | - | - | - | - | - |
| TOTAL CAPITAL EXPENDITURE - Asset class | | | | | | | | | | | |
| | 2 | | 29,856 | 34,592 | 69,049 | 68,697 | 55,228 | - | 61,022 | 70,474 | 86,889 |
| ASSET REGISTER SUMMARY - PPE (WDV) | | | | | | | | | | | |
| | 5 | | - | - | - | - | - | - | - | - | - |
| | | | 384,133 | 361,374 | 353,645 | - | 375,571 | - | 398,106 | 418,011 | 438,912 |
| | | | 8,609 | 8,914 | 7,826 | - | 8,312 | - | 8,810 | 9,251 | 9,713 |
| | | | 232,269 | 235,592 | 207,216 | - | 220,063 | - | 233,267 | 244,931 | 257,177 |
| | | | 2,829 | 6,389 | 6,523 | - | 6,928 | - | 7,343 | 7,711 | 8,096 |
| | | | - | - | - | - | - | - | - | - | - |
| | | | 627,840 | 612,270 | 575,211 | - | 610,874 | - | 647,527 | 679,903 | 713,898 |
| | | | 1,473 | 1,276 | 3,709 | - | 3,939 | - | 4,175 | 4,384 | 4,603 |
| | | | - | - | - | - | - | - | - | - | - |
| | | | 3,195 | - | 2,958 | - | - | - | 2,089 | - | - |
| | | | 22,188 | 11,720 | 13,457 | - | 14,291 | - | 15,149 | 15,906 | 16,702 |
| | | | - | - | - | - | - | - | - | - | - |
| | | | 68 | - | 12 | - | 12 | - | 12 | 12 | 13 |
| | | | 119 | - | 156 | - | 219 | - | 176 | 186 | 196 |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | | | | | | | | | | | |
| | 5 | | 654,882 | 625,266 | 595,503 | - | 629,335 | - | 669,127 | 700,391 | 735,411 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | |
| Depreciation & asset impairment | | | | | | | | | | | |
| | 3 | | 61,271 | 63,963 | 65,992 | 67,517 | 68,517 | - | 70,995 | 74,900 | 79,020 |
| Repairs and Maintenance by Asset Class | | | | | | | | | | | |
| | | | 8,742 | 8,660 | 9,007 | 11,680 | 11,914 | - | 10,831 | 12,954 | 16,034 |
| | | | 4,350 | 3,100 | 1,969 | 3,000 | 3,234 | - | 3,776 | 5,511 | 8,181 |
| | | | 974 | 500 | 901 | 1,750 | 1,750 | - | 700 | 739 | 779 |
| | | | 880 | 2,580 | 1,049 | 1,000 | 1,000 | - | 1,395 | 1,472 | 1,553 |
| | | | 735 | 800 | 1,390 | 1,000 | 1,000 | - | 2,935 | 3,096 | 3,267 |
| | | | - | 280 | 1,078 | 800 | 800 | - | 340 | 359 | 378 |
| | | | 6,939 | 7,260 | 6,387 | 7,550 | 7,784 | - | 9,146 | 11,176 | 14,158 |
| | | | 1,803 | 1,400 | 2,180 | 1,890 | 1,890 | - | 738 | 779 | 822 |
| Heritage assets | | | | | | | | | | | |
| | | | - | - | - | - | - | - | 464 | 490 | 516 |
| Investment properties | | | | | | | | | | | |
| | | | - | - | - | - | - | - | - | - | - |
| Other assets | | | | | | | | | | | |
| | 6, 7 | | - | - | 440 | 2,240 | 2,240 | - | 483 | 510 | 538 |
| TOTAL EXPENDITURE OTHER ITEMS | | | | | | | | | | | |
| | | | 70,013 | 72,623 | 74,999 | 79,197 | 80,431 | - | 81,827 | 87,854 | 95,053 |
| Renewal of Existing Assets as % of total capex | | | | | | | | | | | |
| | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Renewal of Existing Assets as % of deprecn" | | | | | | | | | | | |
| | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M as a % of PPE | | | | | | | | | | | |
| | | | 1.3% | 1.4% | 1.5% | 1.0% | 1.8% | 0.0% | 1.9% | 2.1% | 2.5% |

| | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|----------|---------------|---------------|---------------|
| Community | 1,803 | 1,400 | 2,180 | 1,890 | 1,890 | - | 738 | 779 | 822 |
| Heritage assets | - | - | - | - | - | - | 464 | 490 | 516 |
| Investment properties | - | - | - | - | - | - | - | - | - |
| Other assets | 6,71 | - | 440 | 2,240 | 2,240 | - | 483 | 510 | 538 |
| TOTAL EXPENDITURE OTHER ITEMS | 70,013 | 72,623 | 74,999 | 79,197 | 80,431 | - | 81,827 | 87,854 | 95,053 |
| <i>Renewal of Existing Assets as % of total capex</i> | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <i>Renewal of Existing Assets as % of deprecn"</i> | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <i>R&M as a % of PPE</i> | 1.3% | 1.4% | 1.5% | 1.0% | 1.8% | 0.0% | 1.9% | 2.1% | 2.5% |
| <i>Renewal and R&M as a % of PPE</i> | 1.0% | 1.0% | 2.0% | 0.0% | 2.0% | 0.0% | 2.0% | 2.0% | 2.0% |

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets

Check balance to A6 ##### -360.00 ##### ##### - ##### #####

FS193 Nketoana - Table A10 Basic service delivery measurement

| Description | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------|---------|-----------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | | | | | | | | | |
| Piped water inside yard (but not in dwelling) | | 12,243 | 12,243 | 13,983 | 12,808 | 12,808 | | 15,504 | 16,004 | 16,204 |
| Using public tap (at least min.service level) | 2 | 3,005 | 3,005 | | 2,696 | 2,696 | | 944 | 444 | 244 |
| Other water supply (at least min.service level) | 4 | | | 2,475 | 944 | 944 | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | 15,248 | 15,248 | 16,458 | 16,448 | 16,448 | - | 16,448 | 16,448 | 16,448 |
| Using public tap (< min.service level) | 3 | | | | | | | | | |
| Other water supply (< min.service level) | 4 | | | 860 | | | | | | |
| No water supply | | | | | 854 | 854 | | 946 | 600 | 340 |
| <i>Below Minimum Service Level sub-total</i> | | - | - | 860 | 854 | 854 | - | 946 | 600 | 340 |
| Total number of households | 5 | 15,248 | 15,248 | 17,318 | 17,302 | 17,302 | - | 17,394 | 17,048 | 16,788 |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 9,706 | 9,796 | 10,584 | 11,598 | 11,598 | | 13,730 | 14,930 | 15,930 |
| Flush toilet (with septic tank) | | 98 | 98 | 608 | 72 | 72 | | 60 | 20 | 20 |
| Chemical toilet | | | | 25 | | | | | | |
| Pit toilet (ventilated) | | 1,100 | 1,100 | 3,277 | 960 | 960 | | 994 | 300 | 100 |
| Other toilet provisions (> min.service level) | | 10,455 | | 338 | | | | | | |
| <i>Minimum Service Level and Above sub-total</i> | | 21,359 | 10,994 | 14,832 | 12,630 | 12,630 | - | 14,784 | 15,250 | 16,050 |
| Bucket toilet | | 2,671 | 2,671 | 1,991 | 3,055 | 3,055 | | 1,500 | 800 | |
| Other toilet provisions (< min.service level) | | | | | | | | | | |
| No toilet provisions | | | | 494 | 301 | 301 | | 211 | 104 | - |
| <i>Below Minimum Service Level sub-total</i> | | 2,671 | 2,671 | 2,485 | 3,356 | 3,356 | - | 1,711 | 904 | - |
| Total number of households | 5 | 24,030 | 13,665 | 17,317 | 15,986 | 15,986 | - | 16,495 | 16,154 | 16,050 |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | 1,548 | 1,548 | | 1,357 | 1,357 | | 671 | 671 | 671 |
| Electricity - prepaid (min.service level) | | 4,593 | 4,593 | | 5,190 | 5,190 | | 5,402 | 5,402 | 5,402 |
| <i>Minimum Service Level and Above sub-total</i> | | 6,141 | 6,141 | - | 6,547 | 6,547 | - | 6,073 | 6,073 | 6,073 |
| Electricity (< min.service level) | | | | 12,831 | | | | | | |
| Electricity - prepaid (< min. service level) | | | | | | | | | | |
| Other energy sources | | | | 4,459 | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | - | - | 17,290 | - | - | - | - | - | - |
| Total number of households | 5 | 6,141 | 6,141 | 17,290 | 6,547 | 6,547 | - | 6,073 | 6,073 | 6,073 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | 15,078 | 15,078 | 12,506 | 14,742 | 14,742 | | 16,966 | 16,966 | 16,966 |
| <i>Minimum Service Level and Above sub-total</i> | | 15,078 | 15,078 | 12,506 | 14,742 | 14,742 | - | 16,966 | 16,966 | 16,966 |
| Removed less frequently than once a week | | | | 262 | | | | | | |
| Using communal refuse dump | | | | 545 | - | - | | | | |
| Using own refuse dump | | | | 3,225 | 2 | 2 | | 2 | 2 | 2 |
| Other rubbish disposal | | | | 779 | - | - | | | | |
| No rubbish disposal | | | | | 2,224 | 2,224 | | 458 | 212 | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | 4,811 | 2,226 | 2,226 | - | 460 | 214 | 2 |
| Total number of households | 5 | 15,078 | 15,078 | 17,317 | 16,968 | 16,968 | - | 17,426 | 17,180 | 16,968 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | 2,221,560 | 3,368 | 3,368 | | 5,000 | 5,300 | 5,618 |
| Sanitation (free minimum level service) | | | | 1,985,940 | 4,648 | 4,648 | | 4,648 | 4,927 | 5,222 |
| Electricity/other energy (50kwh per household per month) | | | | 4,031,856 | 1,506 | 1,506 | | 4,142 | 4,448 | 4,777 |
| Refuse (removed at least once a week) | | | | 4,495,630 | 4,637 | 4,637 | | 4,637 | 4,915 | 5,210 |
| Cost of Free Basic Services provided (R'000) | 8 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | 2,222 | 7,283 | 1,986 | | | - | - |
| Sanitation (free sanitation service) | | | | 1,986 | 5,566 | 4,032 | | 4,274 | 4,590 | 4,929 |
| Electricity/other energy (50kwh per household per month) | | | | 4,032 | 2,268 | 2,268 | | 2,435 | 2,582 | 2,737 |
| Refuse (removed once a week) | | | | 4,496 | 6,418 | 4,496 | | 6,804 | 7,212 | 7,645 |
| Total cost of FBS provided (minimum social pack) | | - | - | 12,735 | 21,535 | 12,781 | - | 13,513 | 14,383 | 15,310 |

| | | | | | | | | | |
|--|---|--|--|--------|--------|---|--------|--------|--------|
| Highest level of free service provided | | | | | | | | | |
| Property rates (R value threshold) | | | | 20,000 | 20,000 | | 20,000 | 20,000 | 20,000 |
| Water (kilolitres per household per month) | | | | 6 | 6 | | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | | | | | | | | | |
| Sanitation (Rand per household per month) | | | | 97 | 45 | | 45 | 45 | 45 |
| Electricity (kwh per household per month) | | | | 50 | 50 | | 50 | 50 | 50 |
| Refuse (average litres per week) | | | | 85 | 85 | | 85 | 85 | 85 |
| Revenue cost of free services provided (R'000) | | | | | | | | | |
| Property rates (R15 000 threshold rebate) | 9 | | | 7,423 | 7,423 | | 7,423 | 7,423 | 7,423 |
| Property rates (other exemptions, reductions and rebates) | | | | 5 | 5 | - | 5 | 5 | 6 |
| Water | | | | 7,283 | 7,283 | - | 7,720 | 8,183 | 8,674 |
| Sanitation | | | | 5,566 | 5,566 | - | 5,900 | 6,254 | 6,629 |
| Electricity/other energy | | | | 2,268 | 2,268 | - | 2,435 | 2,615 | 2,809 |
| Refuse | | | | 6,418 | 6,418 | - | 6,804 | 7,212 | 7,645 |
| Municipal Housing - rental rebates | | | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | | | |
| Other | | | | | | | | | |
| Total revenue cost of free services provided (total social package) | | | | | | | | | |
| | | | | - | - | - | 30,287 | 31,692 | 33,185 |

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

Part 2 – Supporting Documentation

2.1 Overview of the Annual Budget Process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and

- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA, the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on the 15th August 2013 .

Item Number : **014/08**

Heading : **Budget time line for 2014/15**

Department : **Finance**

Purpose

The purpose of the report is to present the Budget timeline 2014/15 for approval by council.

Background

In terms of MFMA section 21 1 (b) and 53 1 (b) the mayor must at least 10 month before the start of the budget year , table in the municipal council a time schedule outlining key deadlines for:

- The preparation, tabling and approval of the annual budget
- The annual review of :
 - IDP plan in terms of sections 34 of the MSA and
 - Budget related policies
- The tabling and adoption of any amendments to the IDP and Budget related policies, and
- Any consultative process forming part of the processes referred to the above

Resolved:

1. That the committee takes note of Budget time line for 2014/2015
2. That the report be referred to the Executive Committee
3. That the Budget time line be approved by Council before end of August 2013.

Budget Timeline 2014/15

| Budget Activity | Timeline | Responsible Person |
|---|---|---------------------------|
| 1. Budget Steering Committee. | 03 th September 2013 | Mayor |
| 2. Preparation of Budget Guidelines for 2014/2015. | 09 th – 20 th September 2013 | CFO |
| 3. Budget Steering Committee Meeting | 27 th September 2013 | Mayor |
| 4. 1 st Quarter Budget assessment report. | 11 th October 2013 | CFO |
| 5. Preparation of Tariffs Document | 4 th November 2013 – 06 th December 2013. | CFO |
| 6. Submit the Draft Tariffs for 2014/15 to Managers for review. | 12 th December 2013 | CFO |
| 7. 2 nd Quarter Budget assessment report. | 10 th January 2014 | CFO |
| 8. Mayoral Imbizo | 16 th January 2014 | Mayor |
| 9. Budget Steering Committee Meeting. | 17 th January 2014 | Mayor |
| 10. Strategic Session: IDP and Budget 2013 | 20 th – 21 st January 2013 | Mayor |
| 11. Submit Mid Term Budget Report to Council. | 29 th January 2014. | Mayor |
| 12. Submit Adjustment Budget to Council. | 29 th January 2014. | Mayor |
| 13. Obtain comments on the New Tariffs. | 31 st January 2014 | Directors |
| 14. Finalisation of IDP Projects and Funding | 07 th February 2014 | Mayor |
| 15. Consolidate the draft budget. Submit the draft budget to the Mayor. | 04 th March 2014 | CFO/MM |
| 16. Budget Steering Committee | 11 th March 2014 | Mayor |
| 17. Finalise the Draft Budget | 18 th March 2014 | CFO/MM |
| 18. Council Meeting to table the draft budget. | 26 th March 2014 | Mayor |
| 19. Obtain comments from the public on the draft budget. | 1 st – 30 th April 2014 | Mayor |
| 20. Budget Steering Committee Meeting | 05 th May 2014 | Mayor |
| 21. Finalise budget and tariffs for 2014 - 2016 | 12 th May 2014 | CFO/MM |
| 22. Submit final budget to the Mayor. | 15 th May 2014 | MM |

| | | |
|---------------------------------------|----------------------------|---------|
| 23. Budget Steering Committee Meeting | 19 th May 2014 | Mayor |
| 24. Approval of the budget. | 28 th May 2014 | Council |
| 25. Submit Budget to Treasury. | 11 th June 2014 | BTO |

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council, mainly due to the service delivery challenges that the municipality was facing and also due the election year programmes that were in operation that disturbed the process

2.1.2 Community Consultation, IDP and Service Delivery and Budget Implementation Plan

The draft 2014/15 MTREF budget was tabled before council on 15 April 2014 and for community consultation the municipality advertised on local newspaper and also had pamphlets distributed at the supermarkets and our customer care offices, municipal notice boards and various municipal offices and libraries. The community participation was open from the 12 May 2014 to 23 May 2014.

The municipality was invited by Provincial Treasury for Municipality's budget bilateral to present the budget, that occurred on the and we

The following are some of the issues and concerns raised as well as comments received during the community consultation process per ward:

- Interrupted water and electricity supply
- Lack of job opportunities within the municipality
- Proper sanitation
- Roads and storm water not in good conditions
- Toilet structures
- Lack of sites
- Lack of support from council for Youth development and Sports programme

2.2 Overview of alignment of annual budget and IDP and strategic objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Nketoana Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building clean, healthy, safe, and sustainable communities, financial viability, and sound institutional governance.

Local priorities were identified as part of the IDP review process, which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide roads and storm water;
 - Provide stands;
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
- Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with Police to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning.
4. Good governance, financial viability and institutional governance:
- Reviewing the use of contracted services;
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan;
 - Publishing the outcomes of all tender processes on the municipal website;
 - To create financially sustainable and accountable municipality.

The Nketoana Municipality's IDP strategic objectives for the next financial year are as follows:

FS193 Nketoana - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

| 15775 Nketoana - Supporting Table 3A5 Reconciliation of R for Strategic Objectives and Budget (Operating Expenditure) | | | | | | | | | | | | | |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 | |
| R thousand | | | | | | | | | | | | | |
| Local Economic Development | To create employment opportunities in the Nketoana | | | 52,729 | 48,290 | 56,062 | 42,648 | 60,947 | | 64,523 | 68,072 | 69,816 | |
| Municipal Institution Development and Transformation | To facilitate institutional transformation and development in the Nketoana | | | 16,641 | 21,888 | 27,240 | 20,250 | 24,326 | | 27,102 | 28,626 | 30,235 | |
| Municipal Financial viability and Management | To monitor, evaluate and improve the financial viability of the Nketoana local | | | 7,962 | 21,888 | 27,240 | 20,250 | 24,326 | | 26,502 | 27,993 | 29,567 | |
| | | | | 30,809 | 26,249 | 32,597 | 22,400 | 58,085 | | 30,141 | 31,799 | 33,548 | |
| Basic Service delivery | To ensure that 100% of households in formal settlements in the Nketoana | | | 104,635 | 95,390 | 116,969 | 93,242 | 151,676 | | 125,156 | 129,150 | 134,004 | |
| Good governance and Public Participation | To ensure good governance and public participation in the Nketoana local municipality | | | 6,982 | 8,061 | 8,545 | 8,189 | 8,189 | | 7,427 | 7,835 | 8,267 | |
| Allocations to other priorities | | | | | | | | | | | | | |
| Total Expenditure | | | | 1 | 219,758 | 221,766 | 268,653 | 206,979 | 327,549 | - | 280,851 | 293,474 | 305,437 |

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Balance of allocations not directly linked to an IDP strategic objective

check op expenditure balance

(0)

(150)

2

0

(0)

-

16

18

19

| | | | | | | | | | | | |
|--------------------------------------|---|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Local and Rural Economic Development | To create opportunities in the Nketoana municipal area resulting from programmes and projects of IDP To create employment opportunities in the municipal area resulting from | | 1 079 | 859 | 452 | 9 925 | 3 849 | 3 849 | 8 316 | 8 732 | 9 168 |
| Refuse removal | To ensure tha all household in urban areas have access to waste removal according to | | 7 104 | 10 562 | 10 528 | 8 171 | 10 501 | 10 501 | 13 765 | 14 453 | 15 176 |
| Electricity reticulation | To ensure that 100% households in the municipal area have access to electricity by 2014 | | 17 641 | 26 239 | 30 425 | 29 898 | 43 402 | 43 402 | 48 131 | 50 538 | 53 064 |
| Water | To ensure that 100% households in the municipal area have access to electricity | | 450 | 14 801 | 36 558 | 17 321 | 19 517 | 19 517 | 18 949 | 26 193 | 27 500 |
| Cemetries and parks | To ensure effective management of grave yards and cemeteries in the municipal | | 5 480 | 620 | 5 721 | 650 | 4 868 | 4 868 | 2 520 | 2 646 | 2 778 |
| Sports and recreational facilities | To ensure access to quality sport and recreational in the munipal area | | 995 | 650 | 214 | 1 133 | | | 1 382 | 1 451 | 1 524 |
| Traffic and Parking | to ensure effective traffic management and parking in the municipal area | | 1 562 | 3 133 | 2 719 | 3 438 | 2 729 | 2 729 | 1 856 | 1 949 | 2 046 |
| Firefighting | To ensure effective firefighting in the municipal area | | | | | | | | 928 | 974 | 1 023 |
| Urban and planning | To ensure effective Urban planning that will ensure proper spatial planning to | | | | | | | | 2 050 | 2 153 | 2 260 |
| | | | | 4 015 | - | 2 642 | 1 582 | 1 582 | | | |
| Allocations to other priorities | | | | | | | | | | | |
| Total Expenditure | | 1 | 172 764 | 114 156 | 225 544 | 192 628 | 242 365 | 242 365 | 206 979 | 229 691 | 244 415 |

FS193 Nketoana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| City of Nketoana – Supporting Table 01/1: Reconciliation of IDP Strategic Objectives and Budget (Revenue) | | | | | | | | | | | | | |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | | |
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 | |
| R thousand | | | | | | | | | | | | | |
| Local Economic Development | To create employment opportunities in the Nketoana | | | – | – | – | 41,301 | 40,801 | – | 22,602 | 23,846 | 25,157 | |
| Municipal Development and Transformation | To facilitate institutional transformation and development in the Nketoana local municipality | | | 4,283 | 20,829 | 22,079 | 22,932 | 22,932 | – | 29,997 | 29,957 | 30,097 | |
| Municipal Financial viability and Management | To monitor, evaluate and improve the financial viability of the Nketoana local municipality as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001 | | | 105,300 | 121,347 | 128,751 | 38,251 | 41,453 | – | 42,596 | 40,422 | 37,195 | |
| Basic Service delivery | To ensure that 100% of households in formal settlements in the Nketoana municipal area have access | | | 56,336 | 75,113 | 81,779 | 88,966 | 118,132 | – | 140,059 | 146,262 | 154,307 | |
| Good governance and Public Participation | To ensure good governance and public participation in the Nketoana local municipality | | | – | – | – | 8,189 | 8,189 | – | 8,086 | 8,531 | 9,000 | |
| Allocations to other priorities | | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | | 1 | 165,919 | 217,289 | 232,609 | 199,639 | 231,507 | – | 243,342 | 249,019 | 255,757 |

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Balance of allocations not directly linked to an IDP strategic objective

| | | | | | | | | | |
|--------------------------|-----|-----|-----|----------|----------|---|----------|----------|----------|
| check op revenue balance | (0) | 149 | (1) | (53,297) | (71,997) | - | (61,021) | (70,475) | (87,069) |
|--------------------------|-----|-----|-----|----------|----------|---|----------|----------|----------|

FS193 Nketoana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

| Strategic Objective | Goal | Goal Code | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| Local Economic Development | To create employment opportunities in the Nketoana | A | | | | | | | | | | |
| | | B | | 39,139 | 4,574 | 9,284 | 9,911 | 15,268 | | 13,135 | 2,888 | 5,895 |
| | | C | | | | | | | | | | |
| | | D | | | | | | | | | | |
| Municipal Institution Development and Transformation | To facilitate institutional transformation and development in the Nketoana | E | | 2,100 | 1,579 | – | – | – | | 15 | – | – |
| | | F | | | | | | | | | | |
| Municipal Financial viability and Management | To monitor, evaluate and improve the financial viability of the Nketoana local | G | | 1,114 | 1,550 | 650 | 700 | 1,500 | | 835 | 460 | 910 |
| | | H | | | | | | | | | | |
| | | I | | | | | | | | | | |
| Basic Service delivery | To ensure that 100% of households in formal settlements in the Nketoana | J | | 21,285 | 38,723 | 42,115 | 58,086 | 38,525 | | 47,038 | 67,126 | 80,265 |
| | | K | | | | | | | | | | |
| Good governance and Public Participation | To ensure good governance and public participation in the Nketoana local municipality | L | | – | – | – | – | – | | – | – | – |
| | | M | | | | | | | | | | |
| | | N | | | | | | | | | | |
| | | O | | | | | | | | | | |
| | | P | | | | | | | | | | |
| Allocations to other priorities | | | 3 | | | | | | | | | |
| Total Capital Expenditure | | | 1 | 63,638 | 46,426 | 52,049 | 68,697 | 55,293 | – | 61,023 | 70,474 | 87,070 |

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective check capital balance

| | | | | | | | | |
|--------|--------|---|---|---|---|---|---|---|
| 21,926 | 22,441 | – | – | 1 | – | 1 | 1 | 1 |
|--------|--------|---|---|---|---|---|---|---|

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with Legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the intergraded planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance, which in turn is directly linked to the HOD's performance.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The municipality's performance objectives are as follows:

FS193 Nketoana - Supporting Table SA7 Measureable performance objectives

| Description | Unit of measurement | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--------------------------------------|--------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| EXECUTIVE AND COUNCIL | | | | | | | | | | |
| Municipal Manager | To ensure good | 2.0% | 4.0% | 3.0% | 3.0% | 2.0% | | 3.0% | 3.0% | 3.0% |
| Speakers office | | 3.0% | 3.0% | 2.0% | 4.0% | 2.0% | | 2.0% | 2.0% | 2.0% |
| Mayors office | | 6.0% | 1.0% | 0.9% | 1.0% | 1.0% | | 0.5% | 0.5% | 0.6% |
| | | | | | | | | | | |
| FINANCE AND ADMIN | | | | | 8.0% | | | | | |
| Finance | To monitor, evaluate and | 14.0% | 12.0% | 12.0% | 11.0% | 14.0% | | 11.0% | 11.0% | 11.0% |
| Corporate services | | 5.3% | 6.0% | 7.0% | 5.0% | 4.0% | | 7.0% | 7.0% | 7.0% |
| | | | | | | | | | | |
| COMMUNITY SERVICES AND SOCIAL | | | | | | | | | | |
| Parks and Cemetery | Routine maintainance of | 3.0% | 4.0% | 5.0% | 2.0% | 2.0% | | 2.0% | 2.0% | 2.0% |
| Traffic and fire services | | 0.4% | 0.7% | 0.9% | 2.0% | 1.0% | | 1.0% | 1.0% | 1.0% |
| Sports | | 0.0% | 0.0% | 0.8% | 0.4% | 0.3% | | 0.2% | 0.2% | 0.2% |
| other community anf social | | 0.3% | 2.4% | 2.3% | 2.0% | 2.0% | | 0.5% | 0.2% | 0.2% |
| | | | | | | | | | | |
| | | | | | | | | | | |
| SOLID WASTE MANAGEMENT | | | | | | | | | | |
| Refuse removal | Number of credible | 7.4% | 5.0% | 6.0% | 7.0% | 10.0% | | 7.0% | 7.0% | 7.0% |
| | | | | | | | | | | |

| | | | | | | | | | | |
|---------------------------------------|----------------------|-------|-------|-------|-------|-------|--|-------|-------|-------|
| LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | |
| <i>Economic Development</i> | Number of job | 2.2% | 0.2% | 0.2% | 0.4% | 0.5% | | 0.7% | 0.7% | 0.7% |
| <i>Tourism</i> | | 0.0% | 0.0% | 0.0% | 0.2% | 0.2% | | 0.3% | 0.3% | 0.3% |
| ROADS AND STORM WATER | | | | | | | | | | |
| <i>Roads</i> | Number of projects | 22.0% | 22.0% | 21.0% | 17.0% | 16.0% | | 21.0% | 21.0% | 21.0% |
| <i>Stormwater</i> | | | | | | | | | | |
| | | | | | | | | | | |
| WATER | | | | | | | | | | |
| <i>Water</i> | Number of households | 16.0% | 16.0% | 16.0% | 9.0% | 14.0% | | 12.0% | 12.0% | 12.0% |
| | | | | | | | | | | |
| ELECTRICITY | | | | | | | | | | |
| <i>Electricity</i> | Number of households | 14.0% | 14.0% | 13.0% | 23.0% | 23.0% | | 21.0% | 20.0% | 20.0% |
| | | | | | | | | | | |
| | | | | | | | | | | |
| WASTE MANAGEMENT | | | | | | | | | | |
| <i>Waste Water Management</i> | | | | | | | | | | |
| | Number of households | 10.0% | 11.0% | 9.0% | 7.0% | 10.0% | | 7.0% | 7.0% | 7.0% |
| HOUSING | | | | | | | | | | |
| <i>Urban and planning and housing</i> | Number of credible | 0.0% | 0.0% | 0.0% | 0.6% | 0.5% | | 0.7% | 0.7% | 0.7% |
| | | | | | | | | | | |

The municipality's performance objectives are as follows:

FS193 Nketoana - Supporting Table SA8 Performance indicators and benchmarks

| 3.193 Iketoana - Supporting Table 3.16 Performance indicators and benchmarks | | | | | | | | | | | |
|--|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description of financial indicator | Basis of calculation | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| <u>Borrowing Management</u> | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.5% | 0.6% | 1.1% | 0.7% | 0.9% | 0.0% | 2.4% | 1.5% | 1.5% | 1.6% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 1.3% | 1.1% | 2.6% | 1.2% | 1.8% | 0.0% | 3.4% | 2.6% | 2.7% | 2.7% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure ex cl. transfers and grants and contributions | -1.0% | 5.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Safety of Capital</u> | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Liquidity</u> | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 1.8 | 1.6 | 1.6 | 5.7 | 5.5 | – | 2.8 | 6.6 | 5.4 | 5.4 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 1.8 | 1.6 | 1.6 | 5.7 | 5.5 | – | 2.8 | 6.6 | 5.4 | 5.4 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.3 | – | 0.1 | 1.3 | 1.3 | – | 0.2 | 0.5 | 0.5 | 0.5 |
| <u>Revenue Management</u> | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 50.6% | 35.9% | 48.2% | 95.6% | 68.0% | 0.0% | 34.1% | 47.1% | 47.6% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 44.4% | 35.9% | 48.2% | 95.6% | 68.0% | 0.0% | 34.1% | 47.1% | 47.6% | 47.8% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 27.9% | 27.7% | 35.8% | 76.5% | 61.9% | 0.0% | 76.1% | 72.0% | 60.1% | 62.0% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| <u>Creditors Management</u> | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA' s 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | 104.9% | 88.4% | -332.0% | 226.3% | 410.7% | 0.0% | 37.3% | -55.6% | -22.5% | -14.5% |
| <u>Other Indicators</u> | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| | | | | | | | | | | | |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| | | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 23.2% | 21.2% | 24.5% | 26.5% | 24.5% | 0.0% | 16.9% | 24.8% | 25.8% | 26.7% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 26.0% | 23.5% | 26.6% | 29.2% | 26.8% | 0.0% | | 27.4% | 28.5% | 29.5% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 5.3% | 4.0% | 3.9% | 5.8% | 4.8% | 0.0% | | 4.5% | 5.2% | 6.3% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 37.5% | 30.1% | 29.3% | 34.0% | 28.5% | 0.0% | 24.4% | 30.3% | 31.3% | 32.1% |
| <u>IDP regulation financial viability indicators</u> | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year | 84.0 | 55.0 | 44.7 | 101.1 | 101.1 | 101.1 | 39.5 | 81.8 | 80.9 | 85.4 |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 69.2% | 69.9% | 89.4% | 139.6% | 119.9% | 0.0% | 180.4% | 124.8% | 101.0% | 101.4% |
| iii. Cost coverage | (Av ailable cash + Investments)/monthly fixed operational expenditure | 1.5 | 2.1 | (0.3) | 0.9 | 0.2 | – | 6.9 | (1.4) | (3.6) | (5.7) |

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

| | | | | | | | | | | |
|--|--------|---------|--------|--------|--------|-------|-------|--------|--------|--------|
| Debtors > 90 days | | | | | | | | | | |
| Monthly fixed operational expenditure | 10,996 | 10,905 | 14,191 | 9,890 | 19,398 | – | 4,430 | 15,232 | 15,831 | 16,350 |
| Fixed operational expenditure % assumption | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% | 40.0% |
| Own capex | 23,767 | (3,760) | 10,031 | 17,400 | 5,995 | – | 358 | 4,150 | 10,636 | 11,275 |
| Borrowing | (239) | (195) | – | – | – | – | – | – | – | – |

2.4 Overview of budget related-policies

The policies that were reviewed in relation to budget are as follows:

- Debt collection and Credit control policy
- Indigent policy
- Property Rates policy
- Budget policy
- Tariff policy
- SCM policy
- Bank and Cash management policy
- Assets Management
- Travel allowance policy
- Car allowance policy
- Expenditure policy
- Write off policy
- Free Basic Service policy

2.5 Overview of budget assumptions

Key budget assumptions municipality used is as follows:

- The municipality is expected to budget based on its strength to collect revenue
- Repairs and Maintenance as this will assist in the life span of an asset
- Refrain from budgeting for luxury furniture and non-priorities such as excessive catering (MFMA circular 70 and 72)
- Increase the labour force by way of implementing EPWP programmes
- Budget in line
- CPI 6.232% MFMA circular 70
- Prime rate 9.0%
- Diesel cost per litre 11274.77c
- Petrol Price R14.04c
- 50% Revenue Budget of each department operations budget
- Nersa tariff increase 7.39%

2.6 Overview of budget funding

In terms of DoRA allocation, there is an Unconditional grant of R82 649 000 for 2014/15 financial year, R83 060 000 and R 80 627 000 respectively for 2015/16 and 2016/17.

Capital budget is funded by MIG of R26 572 000, RBIG of R 20 000 000, INEP of 5 300 000, EPIP of R5 000 000 and internally generated funds of R 4 150 000 for the budget year

The tables below provide detail investment information and investment particulars by maturity.

FS193 Nketoana - Supporting Table SA15 Investment particulars by type

| Investment type | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| | | | | | | | | | | |
| R thousand | | | | | | | | | | |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | | | | | | | | | | |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | 6,106 | 15,748 | | 3,696 | 3,696 | | 8,219 | 8,663 | 9,131 |
| Deposits - Public Investment Commissioners | | | | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | | | | | | | | | |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Municipal Bonds | | | | | | | | | | |
| Municipality sub-total | 1 | 6,106 | 15,748 | - | 3,696 | 3,696 | - | 8,219 | 8,663 | 9,131 |
| Entities | | | | | | | | | | |
| Securities - National Government | | | | | | | | | | |
| Listed Corporate Bonds | | | | | | | | | | |
| Deposits - Bank | | | | | | | | | | |
| Deposits - Public Investment Commissioners | | | | | | | | | | |
| Deposits - Corporation for Public Deposits | | | | | | | | | | |
| Bankers Acceptance Certificates | | | | | | | | | | |
| Negotiable Certificates of Deposit - Banks | | | | | | | | | | |
| Guaranteed Endowment Policies (sinking) | | | | | | | | | | |
| Repurchase Agreements - Banks | | | | | | | | | | |
| Entities sub-total | | - | - | - | - | - | - | - | - | - |
| Consolidated total: | | 6,106 | 15,748 | - | 3,696 | 3,696 | - | 8,219 | 8,663 | 9,131 |

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

| | | | | | | | | | |
|--------------------------|-------|-------|------------|-------------|-------------|---|------------|------------|------------|
| check investment balance | ##### | ##### | -3,698,369 | -44,226,631 | -44,226,631 | - | -5,237,000 | -5,587,078 | -5,960,030 |
|--------------------------|-------|-------|------------|-------------|-------------|---|------------|------------|------------|

FS193 Nketoana - Supporting Table SA16 Investment particulars by maturity

| Investments by Maturity | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate 3. | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|-------------------------------------|-----|----------------------|--------------------|-----------------------------|---------------------------------|------------------|-------------------------|----------------------|---------------------------|-----------------|-------------------------|------------------------------------|-------------------|-----------------|
| Name of institution & investment ID | 1 | Yrs/Months | | | | | | | | | | | | |
| <u>Parent municipality</u> | | | | | | | | | | | | | | |
| STANDARD BANK | | 72 | Security | YES | variable rate | 5.68% | - | 154412 | 11 March 2015 | 3,639,959 | 154,412 | | | 3,794,371 |
| VKB | | | LONG TERM | NO | variable rate | | | | CALL | 840,055 | 3,355 | | | 843,410 |
| STANDARD BANK | | 1months | SHORTTERM | NO | FIXED RATE | 5.70% | 4110.66 | | 05 June 2014 | 2,500,000 | 4,111 | (2,504,111) | | - |
| STANDARD BANK | | 2months | SHORTTERM | NO | FIXED RATE | 5.75% | | | 04 June 2014 | 2,500,000 | | | | 2,500,000 |
| VKB LISTED SHARES | | | LONG TERM | NO | variable rate | | | | | 5,000 | | | | 5,000 |
| ABSA | | continued | LONG TERM | NO | variable rate | 5.00% | | | | 2,893,688 | 64,102 | (2,773,152) | | 184,638 |
| Municipality sub-total | | | | | | | | | | 12,378,702 | | (5,277,263) | - | 7,327,419 |
| <u>Entities</u> | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| Entities sub-total | | | | | | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | 12,378,702 | | (5,277,263) | - | 7,327,419 |

2.8 Councillor and employee benefits

We have budgeted 6.79% in terms of SALGA salary increase for both staff and councillors.

FS193 Nketoana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

| Disclosure of Salaries, Allowances & Benefits 1. | Ref | Salary | Contributions | Allowances | Performance Bonuses | In-kind benefits | Total Package |
|--|------|------------|---------------|------------|---------------------|------------------|---------------|
| Rand per annum | No. | | 1. | | | | 2. |
| Councillors | 3 | | | | | | |
| Speaker | 4 | 416,643 | 5,068 | 172,383 | | | 594,094 |
| Chief Whip | | | | | | | - |
| Executive Mayor | | 532,291 | 6,287 | 173,764 | | | 712,342 |
| Deputy Executive Mayor | | | | | | | - |
| Executive Committee | | 861,460 | 11,050 | 321,941 | | | 1,194,451 |
| Total for all other councillors | | 3,028,839 | 278,005 | 435,269 | | | 3,742,113 |
| Total Councillors | 8 | 4,839,233 | 300,410 | 1,103,357 | | | 6,243,000 |
| Senior Managers of the Municipality | 5 | | | | | | |
| Municipal Manager (MM) | | 808,124 | 14,676 | 216,000 | 155,820 | | 1,194,620 |
| Chief Finance Officer | | 706,208 | 8,392 | 120,000 | 125,190 | | 959,790 |
| Director Corporate Services | | 706,208 | 8,924 | 119,468 | 125,190 | | 959,790 |
| Director Community Services | | 706,208 | 9,025 | 119,367 | 125,190 | | 959,790 |
| Director Infrastructure Services | | 706,208 | 8,569 | 119,823 | 125,190 | | 959,790 |
| | | | | | | | - |
| <i>List of each official with packages >= senior manager</i> | | | | | | | |
| Manager IDP and PMS | | 280,496 | 150,790 | 154,248 | 23,375 | | 608,909 |
| Manager Internal Audit and Risk management | | 280,496 | 97,254 | 154,248 | 23,375 | | 555,373 |
| Manager Budget and Treasury | | 280,496 | 91,679 | 148,512 | 23,375 | | 544,062 |
| Manager Income | | 280,496 | 93,047 | 154,248 | 23,375 | | 551,166 |
| Manager Expenditure | | 280,496 | 91,679 | 148,512 | 23,375 | | 544,062 |
| Manager Supply Chain | | 280,496 | 91,679 | 148,512 | 23,375 | | 544,062 |
| Manager LED | | 280,496 | 78,192 | 154,248 | 23,375 | | 536,311 |
| Manager Tourism | | 280,496 | 78,328 | 148,512 | 23,375 | | 530,711 |
| Manager Records | | 280,496 | 90,558 | 148,512 | 23,375 | | 542,941 |
| Manager Human Resources | | 280,496 | 76,230 | 148,512 | 23,375 | | 528,613 |
| Manager Parks and Cemetery and Solid waste | | 280,496 | 63,155 | 148,512 | 23,375 | | 515,538 |
| Manager Waste Water and Water | | 280,496 | 91,679 | 148,512 | 23,375 | | 544,062 |
| Manager Electricity | | 280,496 | 59,943 | 154,248 | 23,375 | | 518,062 |
| Total Senior Managers of the Municipality | 8,10 | 7,279,404 | 1,203,799 | 2,653,994 | 960,455 | | 12,097,652 |
| A Heading for Each Entity | 6,7 | | | | | | |
| List each member of board by designation | | | | | | | |
| Manager Urban and Planning | | 280,496 | 81,519 | 148,512 | 23,375 | | 533,902 |
| Manager Roads | | 280,496 | 142,569 | 154,248 | 23,375 | | 600,688 |
| Manager Traffic, Fire and Safety | | 280,496 | 87,638 | 148,512 | 23,375 | | 540,021 |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| | | | | | | | - |
| Total for municipal entities | 8,10 | 841,488 | 311,726 | 451,272 | 70,125 | | 1,674,611 |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10 | 12,960,125 | 1,815,935 | 4,208,623 | 1,030,580 | | 20,015,263 |

The municipality does not have an entity. We put information on this sheet due to lack of space, the document did not allow us to insert the lines or edit it. We had to had to capture this information for other manager to be consistent with the organisational structure as it stands currently

FS193 Nketoana - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration | Ref | 2010/11 | 2011/12 | 2012/13 | Current Year 2013/14 | | | 2014/15 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousand | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | 1 | 3,663 | 3,637 | 2,768 | 4,106 | 4,388 | 4,388 | 4,839 | 5,149 | 5,479 |
| Pension and UIF Contributions | | | | | | | | 1 | 1 | 1 |
| Medical Aid Contributions | | | | | | | | - | - | - |
| Motor Vehicle Allowance | | 1,198 | 1,190 | 1,170 | 1,041 | 1,041 | 1,041 | 1,277 | 1,359 | 1,446 |
| Cellphone Allowance | | | | | 238 | 238 | 238 | 69 | 74 | 78 |
| Housing Allowances | | | | 987 | | | | - | - | - |
| Other benefits and allowances | | | | | | | | 57 | 60 | 64 |
| Sub Total - Councillors | | 4,861 | 4,827 | 4,925 | 5,385 | 5,667 | 5,667 | 6,243 | 6,643 | 7,068 |
| % increase | 4 | | (0.7%) | 2.0% | 9.4% | 5.2% | - | 10.2% | 6.4% | 6.4% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 1,512 | 3,601 | | 7,044 | 7,044 | 7,044 | 3,633 | 3,865 | 4,113 |
| Pension and UIF Contributions | | 303 | 652 | | | | | 1 | 1 | 1 |
| Medical Aid Contributions | | 46 | 49 | | 239 | 239 | 239 | 48 | 51 | 55 |
| Overtime | | | | | - | - | - | - | - | - |
| Performance Bonus | | 220 | 240 | | 941 | 941 | 941 | 657 | 699 | 743 |
| Motor Vehicle Allowance | 3 | 547 | 575 | | 824 | 824 | 824 | 189 | 201 | 214 |
| Cellphone Allowance | 3 | 45 | 46 | | 50 | 50 | 50 | 101 | 107 | 114 |
| Housing Allowances | 3 | 12 | 13 | | 15 | 15 | 15 | 405 | 431 | 458 |
| Other benefits and allowances | 3 | | 411 | | 1,926 | 1,926 | 1,926 | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| Sub Total - Senior Managers of Municipality | | 2,685 | 5,587 | - | 11,039 | 11,039 | 11,039 | 5,034 | 5,356 | 5,699 |
| % increase | 4 | | 108.1% | (100.0%) | - | - | - | (54.4%) | 6.4% | 6.4% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 24,351 | 26,022 | 37,689 | 27,371 | 30,630 | 30,630 | 38,474 | 40,936 | 43,556 |
| Pension and UIF Contributions | | 4,194 | 5,516 | 6,772 | 5,140 | 6,340 | 6,340 | 6,986 | 7,433 | 7,908 |
| Medical Aid Contributions | | 1,066 | 1,863 | 2,313 | 1,632 | 1,632 | 1,632 | 1,702 | 1,811 | 1,927 |
| Overtime | | 1,614 | 2,135 | 2,292 | 2,732 | 1,532 | 1,532 | 1,561 | 1,661 | 1,768 |
| Performance Bonus | | 2,154 | 2,216 | 2,600 | - | 3,428 | 3,428 | 2,274 | 2,420 | 2,574 |
| Motor Vehicle Allowance | 3 | 1,098 | 954 | 1,735 | 1,303 | 1,303 | 1,303 | 1,779 | 1,893 | 2,014 |
| Cellphone Allowance | 3 | | | 552 | 626 | 857 | 857 | 234 | 249 | 264 |
| Housing Allowances | 3 | 172 | 153 | 158 | 46 | 46 | 46 | 214 | 227 | 242 |
| Other benefits and allowances | 3 | 1,026 | 1,675 | 2,902 | 3,557 | 2,964 | 2,964 | 1,095 | 1,165 | 1,240 |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | 1,235 | 1,235 | 1,000 | 1,064 | 1,132 |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| Sub Total - Other Municipal Staff | | 35,675 | 40,534 | 57,012 | 42,407 | 49,967 | 49,967 | 55,318 | 58,859 | 62,626 |
| % increase | 4 | | 13.6% | 40.7% | (25.6%) | 17.8% | - | 10.7% | 6.4% | 6.4% |
| Total Parent Municipality | | 43,221 | 50,948 | 61,937 | 58,831 | 66,673 | 66,673 | 66,596 | 70,858 | 75,393 |
| | | | 17.9% | 21.6% | (5.0%) | 13.3% | - | (0.1%) | 6.4% | 6.4% |

2.9 Monthly targets for revenue, expenditure and cash flow

FS193 Nketoana - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS | Budget Year 2014/15 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|-----------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|-----------------|----------------|-----------------|---|------------------------|------------------------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2014/15 | Budget Year +1 2015/16 | Budget Year +2 2016/17 |
| R thousand | | | | | | | | | | | | | | | |
| Cash Receipts By Source | | | | | | | | | | | | | | | |
| Property rates | 1,535 | 1,056 | 1,484 | 952 | 1,378 | 622 | 822 | 744 | 459 | 459 | 735 | 5,574 | 15,820 | 16,769 | 17,775 |
| Property rates - penalties & collection charges | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | 2,810 | 2,874 | 2,717 | 2,324 | 2,499 | 1,451 | 1,890 | 1,180 | 1,311 | 1,810 | 2,810 | 45 | 23,720 | 25,143 | 26,652 |
| Service charges - water revenue | 788 | 853 | 759 | 410 | 704 | 944 | 1,088 | 1,002 | 1,120 | 1,198 | 808 | 781 | 10,456 | 11,083 | 11,748 |
| Service charges - sanitation revenue | 419 | 441 | 457 | 314 | 605 | 319 | 517 | 463 | 664 | 479 | 496 | (148) | 5,026 | 5,328 | 5,647 |
| Service charges - refuse revenue | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 1,387 | 4,478 | 4,747 | 5,031 |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | (0) | 369 | 391 | 415 |
| Interest earned - external investments | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 425 | 451 | 478 |
| Interest earned - outstanding debtors | 100 | 78 | 67 | 68 | 47 | 24 | 47 | 55 | 45 | 52 | 57 | 47 | 684 | 725 | 769 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 180 | 191 | 202 |
| Licences and permits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agency services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer receipts - operational | 43,908 | - | - | - | 21,450 | - | - | - | 17,291 | - | - | 0 | 82,649 | 78,060 | 75,627 |
| Other revenue | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,247 | 1,049 | 14,767 | 15,653 | 16,592 |
| Cash Receipts by Source | 51,173 | 6,914 | 7,095 | 5,678 | 28,295 | 4,972 | 5,976 | 5,056 | 22,501 | 5,610 | 6,517 | 8,785 | 158,574 | 158,541 | 160,936 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfer receipts - capital | 17,291 | 1,000 | 1,000 | 1,000 | 17,291 | 1,000 | 1,000 | - | 17,291 | - | - | 0 | 56,872 | 59,837 | 75,795 |
| Contributions recognised - capital & Contributed assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | 132 | - | - | - | 132 | - | - |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 68,464 | 7,914 | 8,095 | 6,678 | 45,585 | 5,972 | 6,976 | 5,056 | 39,924 | 5,610 | 6,517 | 8,785 | 215,578 | 218,378 | 236,731 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 5,149 | 5,068 | 5,191 | 5,029 | 5,130 | 5,123 | 5,138 | 5,189 | 5,173 | 5,029 | 5,029 | 4,103 | 60,352 | 63,973 | 67,812 |
| Remuneration of councillors | 480 | 443 | 530 | 491 | 403 | 510 | 790 | 509 | 520 | 551 | 427 | 590 | 6,243 | 6,618 | 7,015 |
| Finance charges | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 3,300 | 3,498 | 3,708 |
| Bulk purchases - Electricity | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 3,019 | 36,223 | 38,396 | 40,700 |
| Bulk purchases - Water & Sewer | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 500 | 530 | 562 |
| Other materials | 903 | 1,091 | 346 | 559 | 1,890 | 1,980 | 789 | 781 | 650 | 438 | 534 | 872 | 10,832 | 11,482 | 12,171 |
| Contracted services | 559 | 1,278 | 889 | 1,324 | 841 | 1,211 | 446 | 841 | 768 | 859 | 346 | 729 | 10,091 | 10,696 | 11,338 |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants - other | 2,254 | 2,190 | 890 | 2,561 | 1,089 | 890 | 980 | 970 | 1,600 | 609 | 1,290 | 2,580 | 17,903 | 18,977 | 20,116 |
| Other expenditure | 22,908 | 1,789 | 909 | 1,100 | 2,489 | 789 | 1,489 | 1,100 | 3,200 | 1,189 | 1,589 | 6,205 | 44,756 | 47,441 | 50,288 |
| Cash Payments by Type | 35,588 | 15,194 | 12,089 | 14,400 | 15,177 | 13,838 | 12,967 | 12,725 | 15,247 | 12,010 | 12,550 | 18,414 | 190,200 | 201,612 | 213,709 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | 11,290 | 7,289 | 2,179 | 1,190 | 9,590 | 980 | 1,780 | 1,567 | 3,248 | 5,459 | 3,390 | 8,910 | 56,872 | 59,837 | 75,795 |
| Repayment of borrowing | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 112 | 1,429 | 1,500 | 1,575 |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | 46,998 | 22,603 | 14,388 | 15,709 | 24,887 | 14,938 | 14,867 | 14,412 | 18,614 | 17,589 | 16,060 | 27,436 | 248,501 | 262,949 | 291,079 |
| NET INCREASE/(DECREASE) IN CASH HELD | 21,466 | (14,689) | (6,293) | (9,031) | 20,699 | (8,966) | (7,890) | (9,356) | 21,310 | (11,979) | (9,543) | (18,651) | (32,923) | (44,572) | (54,348) |
| Cash/cash equivalents at the month/year begin: | 11,274 | 32,740 | 18,051 | 11,759 | 2,728 | 23,426 | 14,460 | 6,570 | (2,786) | 18,524 | 6,545 | (2,998) | 11,274 | (21,649) | (66,221) |
| Cash/cash equivalents at the month/year end: | 32,740 | 18,051 | 11,759 | 2,728 | 23,426 | 14,460 | 6,570 | (2,786) | 18,524 | 6,545 | (2,998) | (21,649) | (21,649) | (66,221) | (120,568) |

References

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure.

| | | | | | | | | | | | |
|---------|--------|---------|---------|---------|--------|----------|---------|----------|----------|----------|----------|
| 14,400 | 15,177 | 13,838 | 12,967 | 12,725 | 15,247 | 12,010 | 12,550 | 18,414 | 190,200 | 201,612 | 213,709 |
| (9,031) | 20,699 | (8,966) | (7,890) | (9,356) | 21,310 | (11,979) | (9,543) | (18,651) | (32,923) | (44,572) | (54,348) |

2.10 Contracts having future budgetary implications

We anticipate spending 100% of Conditional grants allocated to the municipality

2.11 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has recruited 5 interns undergoing training in various divisions of the Financial Services Department which has started in October 2014 which will run for the two financial year 2014/15 and 2015/16. Currently we are left with 4 interns.

We have included in the activity for next financial 2014/15 two interns which will assist the IT section, It was raised in AG report 2012/13 that IT section of the municipality lacks capacity, since we are operating on smaller budgets, and we could not afford the salaries of the IT Manager, we deemed necessary that we should support and provide the section with the assistance they need in terms of human and financial support. The appointment of the two interns in IT section will be beneficial to the municipality as their role will be more at an operational level and also assist in improving the AG report. This will allow our IT Officer to focus more on strategic and technical issues as this section needs.

Their contracts will be monitored and evaluated in line with Treasury regulations. We anticipate implementing this the 1st August 2014 the latest.

3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee was appointed during the 2012/13 financial year municipality and has since functioned effectively.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be in line with MFMA section
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training

The MFMA training module in electronic format is presented at the Municipality internal centre which is Finance department in this regard and training is ongoing.

2.12 Other supporting documents

- Approved Policies
- Electricity tariff application and approval letter
- Approved Tariff Book 2014/15
- Draft and Final budget 2014/15 presentation
- Acknowledgment letter from Provincial Treasury for submitting the Draft Budget 2014/15
- Attendance registers for the different stakeholders and communities
- Adverts/notices for the community public participation

2.14 Municipal manager's quality certificate

I ...Lekgetho Isaac Mokgathe..., municipal manager of Nketoana Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Lekgetho Isaac Mokgathe

Municipal Manager of Nketoana Local Municipality (FS193)

Signature: _____

Date: _____10/06/2014_____